

Letter of Support**House Bill 577 – Business Regulation – Miscellaneous State Business Licenses –
Enforcement and Penalties***House Economic Matters Committee**February 12, 2025*

The Comptroller of Maryland (COM) is required to enforce the business license requirements found in Title 17 of the Business Regulations Article, which includes inspecting businesses and, when appropriate, taking action against those businesses that fail to comply with those requirements.

Under current law, each agent or officer of a corporation who engages in unlicensed activity is individually subject to penalties that can include a misdemeanor, up to a \$300 fine, and even imprisonment.¹ “Agent” is undefined in the Business Regulations Article and has been interpreted broadly to include even non-management employees! As a result, an employee who has no control over the operations of a business can be issued a criminal citation and required to take time off of work to go to court to try to resolve the matter.

What the bill does: House Bill 577 bill seeks to limit overbroad enforcement actions in three ways:

1. Clearly defining those parties who can be subject to penalties for noncompliance with state business license requirements (e.g. an owner or license representative);
2. Requiring businesses to identify a “responsibility party” for licensing purposes on their business license applications; and
3. Ensuring that an employee who lacks control over a business cannot be cited for the activities of the business owner or license representative.

What the bill does NOT do:

1. **It does not create new penalties or give new enforcement authority to the Comptroller.** The penalties and authority discussed are already part of existing law.
2. **It does not expand who can be cited for unlicensed activity.** The bill clearly defines and limits who may be subject to penalties for unlicensed activity, all of whom are parties that are already subject to penalties under the current “agent or officer” language.


Why the bill is important: Under the current system, when the owner of a convenience store in Maryland fails to maintain their trader’s license, it places the employees themselves at risk of criminal charges. Our field enforcement bureau is statutorily required to cite each agent of the business, even if they have no ability to obtain or update the license.

¹ Business Regulations Article § 17-2106(b), Maryland Annotated Code



Forcing someone to go to court and fight a criminal charge because of the actions of their employer doesn't help to curb unlicensed activity and penalizes innocent employees. HB577/SB664 will provide clarity for our enforcement bureau and help protect Maryland workers.

I respectfully urge a favorable report on House Bill 577. If you have any questions, please feel free to reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

A handwritten signature in black ink, appearing to read "Brooke E. Lierman". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Brooke E. Lierman
Comptroller of Maryland