

SB664 – Favorable - Business Regulation - Miscell

Uploaded by: Jeffrey Hann

Position: FAV



ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore
Governor

Aruna K. Miller
Lt. Governor

Jeffrey A. Kelly
Executive Director

February 13, 2025

BILL: SB664 – Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties
COMMITTEE: Finance Committee
POSITION: Favorable

Hon. Pamela Beidle, Chair, and Members of the Finance Committee:

I write on behalf of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to request a **Favorable Report on SB664 – Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties.**

SB664 adds a new statutory requirement for information that must be included in an application for a license to operate a business in Maryland. Under the bill applicant businesses shall identify and provide contact information for a Maryland resident to serve as representative of the business. This bill also requires that the named individual accept responsibility and liability for any violations by the business, including the penalty provisions of Business Regulations Article Subtitle 21. The bill also subjects named representatives, owners, and certain officers or partners of organizational entity businesses to those penalties.

This bill requires applicants for business licenses to identify a Maryland resident who understands and accepts the responsibilities that accompany the license to do business. This structure is like the State's alcoholic beverage licensing statutes, which require a named Maryland resident to operate an alcoholic beverages business.¹ This model supports the ATCC and Maryland Department of Health's enforcement efforts to ensure that tobacco businesses stock lawful products, collect and remit full sales and use taxes to the State, and implement practices that ensure their staff do not sell age restricted products to people under 21 years of age.

SB664 closes a practical obstacle to holding non-compliant businesses in Maryland accountable for violations of the State's licensing requirements and other laws. Under current law business licenses may be issued to a corporate organization without the need to provide any individual's name on the application. Contact information on a license is often limited to the mailing address of the licensed location and may not contain any up-to-date contact information for business headquarters or owners of the premises.

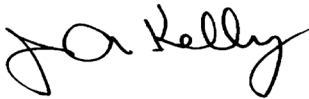
While a corporate entity may have a resident agent on file with the State Department of Assessments and Taxation, that individual is not identified on the license and may have no operational role or knowledge of the actions taking place at the premises itself. For both the ATCC and Comptroller, this lack of critical information hinders the ability to identify and

¹ See Code, Alc. Bev. Can. MD Code, Alcoholic Beverages, § 3-201, and § 4-202.

issue citations to hold leadership of the business accountable for violations. This also results in front line employees, such as cashiers being disproportionately impacted by fines, jail penalties, and other collateral effects of contact with the criminal justice system. Officers and owners who control decisions about how business operate and benefit from the overall profits of the business are often insulated from similar accountability.

Accordingly, the ATCC requests the Finance Committee to issue a Favorable Report on SB664 – Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties.

Sincerely,

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Jeffrey A. Kelly
Executive Director

SB 664 - Business Regulation - Miscellaneous State

Uploaded by: Kam Bridges

Position: FAV



Advocating better skills, jobs, and incomes

Testimony in Support of Senate Bill 644

Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties

TO: Hon. Pamela Beidle, Chair, and Members of the Senate Finance Committee

FROM: Job Opportunities Task Force

DATE: February 13, 2024

POSITION: Support

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF supports Senate Bill 664.**

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. “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.

This bill seeks to limit overbroad enforcement actions by clearly defining those parties who can be subject to penalties for noncompliance with state business license requirements (e.g. an owner or a representative identified as a responsible party on the license) and ensuring that an employee who lacks control over a business cannot be cited for the activities of the business owner or license representative.

For example 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.

Forcing someone to go to court and fight a criminal charge because of the actions of their employer does little to curb unlicensed activity and penalizes innocent employees.

JOTF works to remove barriers to employment and this bill would prevent low level employees from facing erroneous criminal citations and possible fines over matters in which they have no control. JOTF applauds the Comptroller’s Office for bringing this bill forward.

For these reasons, JOTF supports Senate Bill 664 and urges a favorable report.

For more information, contact:

Kam Bridges /Public Policy Advocate / Kam@jotf.org

SB664 - LOS.pdf

Uploaded by: Matthew Dudzic

Position: FAV

Letter of Support**Senate Bill 664 – Business Regulation – Miscellaneous State Business Licenses –
Enforcement and Penalties***Senate Finance Committee**February 13, 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: Senate Bill 664 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. SB644 will provide clarity for our enforcement bureau and help protect Maryland workers.

I respectfully urge a favorable report on Senate Bill 664. If you have any questions, please feel free to reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

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Brooke E. Lierman
Comptroller of Maryland

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Uploaded by: Grason Wiggins

Position: FWA



Senate Bill 664

Date: February 12, 2025

Committee: Senate Finance

Position: Favorable with Amendments

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and recovery for Maryland businesses, employees, and families.

Senate Bill 664 (SB 664) seeks to authorize the Comptroller to issue citations to enforce certain business license regulations. It also requires business license applicants to designate an individual as the license representative, who would be subject to certain penalties for violations.

While the Chamber appreciates the bill's intent to streamline and strengthen the enforcement and penalties process, we are concerned that SB 664 would grant additional authority to the Comptroller to issue and enforce violations for various state business licenses, making the process more confusing for businesses.

SB 664 requires that business license applicants designate a license representative, who must be a Maryland resident, to assume responsibility and liability for penalties. We believe that the business owner should be the one held liable for violations, not a third-party individual employed by the owner.

We do not believe someone other than the owner should be selected as the individual who must take on individual responsibility and liability for violations. Many businesses, especially those headquartered outside Maryland—particularly in neighboring states—may not have employees residing in Maryland, making this requirement problematic and likely unworkable. Additionally, the Chamber is concerned about the fairness of assigning liability to individuals employed by a company instead of holding the business owner accountable for violations and penalties related to the business license.

SB 664 also removes the provision (page 3, line 18) that held only those directly engaged in unlicensed business activities liable. By doing so, it becomes unclear who should be held responsible, potentially shifting liability to individuals who may not have been involved in the violation at all.

Overall, the bill as introduced is confusing and raises concerns about the increased authority it grants to the Comptroller. The broad enforcement powers outlined in SB 664 could be applied differently by future officeholders, leading to inconsistency in enforcement.

For these reasons, the Chamber respectfully requests a **favorable report with amendments** on **SB 664**.



HCCC_SB 664_FWA.pdf

Uploaded by: Andrew Griffin

Position: UNF



February 13, 2025

Legislative Position: Favorable with Amendments

Senate Bill 664

Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties

Senate Finance Committee

Dear Chairwoman Beidle and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber works in partnership with our elected officials to advocate for the interests of the county's business community.

As introduced, Senate Bill 664 (SB 664) would authorize the Comptroller to issue citations to enforce certain business license regulations. It also adds a new requirement that business license applicants designate an individual as the license representative for the purposes of being subject to certain penalties for violations.

The Howard County Chamber appreciates the bill's intent to narrow the scope of enforcement and penalty process, however, our members remain concerned with the appearance that SB 664 would grant new authority to the Comptroller to issue and enforce violations for various state business licenses. Further, our members believe that the new provisions requiring a business to designate a license representative can already be done with existing means.

Further, SB 664 requires that the business license representative to be a Maryland resident and to assume responsibility and liability for penalties and violations. Ultimately, our membership believes the business owner or the person currently listed on the business license should be held liable for violations, not a designated individual employed by the owner. The requirement that the designated representative be a Maryland resident seems to be arbitrary in the sense that a business owner's responsibility to maintain a license should apply regardless of residency.

SB 664 also removes a provision (page 3, line 18) that appears to hold only those directly engaged in unlicensed business activities liable. By removing this, it becomes unclear who should be held responsible, potentially shifting liability to individuals who may not have been involved in the violation at all. This would be at odds with the intended purpose of the legislation, to narrow the scope of liability.

Overall, our membership believes there is a more direct way of addressing these concerns, by holding the business owner or the individual on the license responsible for violations. There is also concern about the



appearance of increased citation authority. For these reasons, the Howard County Chamber looks forward to working alongside the Comptroller's office to come up with language that achieves the intent of SB 664 without creating confusion and redundancy.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce

SB664_ABC_UNF

Uploaded by: Marcus Jackson

Position: INFO



The Voice of Merit Construction

February 13, 2025

Mike Henderson

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TO: FINANCE COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: S.B. 664 – BUSINESS REGULATIONS – MISCELLANEOUS
STATE BUSINESS LICENSES – ENFORCEMENT AND
PENALTIES

POSITION: OPPOSE

The Associated Builders and Contractors (ABC) opposes S.B. 664 which is before you today for consideration. This bill introduces several concerning provisions that will negatively impact Maryland businesses, particularly small businesses, and create unnecessary burdens and potential for abuse.

We feel that requiring each license application to designate a specific individual as a "license representative" who is subject to penalties is problematic. While accountability is important, this provision creates a significant risk for individuals who may not have direct control over all aspects of the business. This could lead to unfair penalization for actions outside their direct responsibility. Furthermore, requiring the representative to be a Maryland resident unnecessarily restricts businesses' operational flexibility.

The bill's expansion of penalty application to various individuals within a business, including officers, members, and managing individuals, is overly broad and potentially unjust. Holding individuals personally liable for violations, even without clear evidence of their direct involvement or intent, is excessive and could discourage individuals from serving in leadership roles within businesses.

We believe that the current regulatory framework for business licenses already provides sufficient mechanisms for enforcement. The changes proposed in S.B. 664 are unnecessary, create excessive burdens on businesses, and raise serious concerns about due process and fairness. Instead of focusing on punitive measures, I encourage the legislature to explore alternative approaches that promote compliance through education and collaboration.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request a unfavorable report on S.B. 664

Marcus Jackson, Director of
Government Affairs

SB664_ABC_WithdrawOpposition

Uploaded by: Marcus Jackson

Position: INFO



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

February 13, 2025

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Additional representation by
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The Honorable Pamela Beidle
Chairwoman
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: ABC Maryland Withdrawal of Opposition to SB 664

Dear Chairwoman, Beidle

I am writing you today concerning our written testimony in opposition SB 664 - Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties that was submitted on February 13, 2025.

On behalf of ABC of Maryland, I would like to formally withdraw our letter of opposition to SB 664.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marcus Jackson".

Marcus Jackson
Director of Government Affairs

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