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Uploaded by: Senator Gile

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB0922 - Business Regulation - Travel Services - Surety Requirement (Don't You Worry (Wurie) Act)

Madame Chair, Mr. Vice Chair, and fellow members of the Senate Finance Committee:

SB0922 would put in place consumer protections for travel agencies to prevent additional tragedies from happening to Maryland families.

Background

During the summer of 2024, [several Maryland residents tragically died](#) while making a religious pilgrimage, Hajj, to Mecca. Reports indicate the travel organizers had a direct part in this tragedy, failing to provide promised documentation and necessary support to travelers who paid for their services.

In an effort to enhance consumer protections in this industry, some states have established industry mechanisms - such as "Seller of Travel" (SOT) registrations - which provide consumers with an added level of assurance they are doing business with legitimate entities and can provide consumers with certain avenues for recourse by requiring certain levels of insurance and bonding by registered SOTs.

Maryland does not currently have any licensing or registration requirements for sellers of travel.

Solution

SB092 would:

- Require each seller of travel to file annually with the Department of Labor a list of independent agents affiliated with the seller of travel and evidence of financial security as spelled out in the bill; and
- Depending on the gross income of the seller of travel or independent agent, surety or cash performance bonds shall be posted ranging from \$10,000 to \$50,000; and
- In lieu of the bond required under the bill, a seller of travel or an independent agent may:
 - Obtain a certificate of deposit or an irrevocable letter of credit from a state banking institution in the amount of the performance bond; or
 - File with the Department of Labor proof of professional liability and errors and omissions insurance in the amount of \$1,000,000; or

- o Deposit with the Department of Labor:
 - Cash in the amount of \$50,000; or
 - Securities with a value of at least \$50,000; or
 - A statement from a licensed financial institution guaranteeing the performance of the seller or travel or independent agent; or
 - A security interest in property with a value of \$50,000 surety or cash performance bond
- Sellers of travel may be subject to a fine of \$50,000 in the first instance and \$100,000 for the second and further instances; independent agents may be subject to a fine of \$10,000 in the first instance and \$50,000 for the second and further instances.

Per the Fiscal Note, SB0922 as-introduced would incur some expense to the state. However, I am supporting an amendment that would remove the Attorney General's Office's enforcement role, which is expected to drastically reduce the bill's expected cost.

For these reasons, I respectfully request a favorable report on SB0922.

SB922_SponsorAmendment_373521

Uploaded by: Senator Gile

Position: FAV



SB0922/373521/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

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BY: Senator Gile
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 922
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before “**Surety**” insert “**Special Fund, Fees, and**”; in line 4, after the first “of” insert “establishing the Sellers of Travel Registration Fund as a special, nonlapsing fund in the Maryland Department of Labor; requiring that certain investment earnings be credited to the General Fund of the State; requiring the Secretary of Labor to annually calculate certain costs; authorizing the Department to set by regulation certain fees based on certain calculations; prohibiting certain fees from increasing by more than a certain amount each year;”; in line 5, strike “of Labor evidence of financial security” and substitute “proof of professional liability and errors and omissions liability in at least a certain amount”; in line 9, after “Section” insert “2–106.17 and 2–106.18; and”; and in the same line, strike “17–2205” and substitute “17–2203”.

AMENDMENT NO. 2

On page 1, after line 15, insert:

“2–106.17.

(A) IN THIS SECTION, “FUND” MEANS THE SELLERS OF TRAVEL REGISTRATION FUND.

(B) (1) THERE IS A SELLERS OF TRAVEL REGISTRATION FUND.

(2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(C) (1) THE DEPARTMENT SHALL PAY ALL FEES COLLECTED UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.

(D) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.

(E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER THE FUND.

(F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(G) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

2-106.18.

(A) THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.

(B) THE DEPARTMENT SHALL ESTABLISH FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

(C) EACH FEE ESTABLISHED BY THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE MAY NOT BE INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEES OF THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.”;

and strike in their entirety lines 20 and 21.

On page 2, in lines 1 and 11, strike “(C)” and “(D)”, respectively, and substitute “(B)” and “(C)”, respectively; and in line 3, strike “(D)(1)(II)” and substitute “(C)(1)(II)”.

On page 3, in line 11, strike “EVIDENCE OF FINANCIAL SECURITY” and substitute “PROOF OF PROFESSIONAL LIABILITY AND ERRORS AND OMISSIONS INSURANCE IN THE AMOUNT OF AT LEAST \$1,000,000”.

On pages 3 through 5, strike beginning with “IF” in line 22 on page 3 down through “17-2204.” in line 21 on page 5 and substitute:

“(1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE DEPARTMENT SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE SELLERS OF TRAVEL REGISTRATION FUND ESTABLISHED IN § 2-106.17 OF THIS ARTICLE.

17-2203.”.

(Over)

On page 5, in line 22, strike “**DIVISION AND THE**”; in line 24, strike the second “**AND**”; and in line 25, after “**SUBTITLE**” insert “**; AND**”

(3) ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE, INCLUDING REGULATIONS ESTABLISHING REQUIREMENTS AND PROCEDURES FOR THE REGISTRATION OF SELLERS OF TRAVEL AND PROVIDING FOR THE ENFORCEMENT OF THIS SUBTITLE”.

On pages 5 and 6, strike in their entirety the lines beginning with line 26 on page 5 through line 9 on page 6, inclusive.

Written Testimony-SB 0922-Business Regulation - Tr

Uploaded by: Jason Perkins-Cohen

Position: FWA

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0922

TO: Finance Committee
FROM: Jason Perkins-Cohen, Deputy Secretary
DATE: February 19, 2025
BILL: SB 0922-Business Regulation - Travel Services - Surety Requirement
(Don't You Worry (Wurie) Act)

MD LABOR POSITION: Support with Sponsor Amendments

The Maryland Department of Labor supports SB 0922 with amendments, which requires certain providers of travel insurance to register with the Department by providing evidence of financial security. The purpose of this legislation is to ensure that providers of travel services maintain adequate financial resources to safeguard consumers, thereby promoting greater accountability, stability, and safety in the industry.

MD Labor supports the sponsor's amendments that clarify the intent of the legislation and provide the appropriate balance that offers consumers protection without creating restrictions that may limit responsible travel businesses from providing high quality services to their clients.

The amendments clarify the information required for the travel business to register with MD Labor including requiring proof of professional liability and errors and omissions insurance, ensure that fees collected can be used to support the administrative requirements of the new registry, and reduce potential complexity for all parties.

The Department believes that the proposed amendments strengthen its intent and provide enhanced safeguards for all Marylanders. By ensuring that established protections are in place for consumers utilizing travel agencies, we will help foster greater security and confidence in the industry. The Department would like to thank the bill sponsor for leading the way for a potentially life-saving check on the travel agent industry.

The Department respectfully requests the Senate Finance Committee consider a favorable Report on SB 0922.

For questions, please contact Caroline Bauk, at **Caroline.Bauk@maryland.gov**

SB922_ASTA_021925.pdf

Uploaded by: Laura Vogel

Position: UNF



February 17, 2025

The Hon. Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Dear Chairwoman Beidle:

On behalf of the American Society of Travel Advisors (ASTA) and the more than 1,600 travel advisors in the state of Maryland, I am writing to express our concerns with Senate Bill (SB) 922, which would impose new regulatory burdens on travel advisors in Maryland and across the country. I respectfully request that this letter be made part of the record of the committee's February 19, 2025, hearing on the legislation.

By way of background, ASTA is the world's leading professional travel trade organization, representing nearly 200,000 travel advisors across the country. Travel agencies – online, “brick and mortar” and many hybrid business models in between – play a critical role in the broader travel and tourism economy. Ninety-eight percent of travel agencies are small businesses as categorized by the Small Business Administration, and eighty percent of them are women-owned. Our membership ranges from home-based businesses and traditional storefront agencies to the largest travel management companies and online travel agencies.

Before diving into the specifics of the legislation, I hope you will allow me to express my condolences to the Wurie family. They experienced the tragic loss of their family members while embarked on a holy pilgrimage in Saudi Arabia, a tragedy no family should face. We truly wish their loved ones peace and comfort during this difficult time. We were disheartened to learn that the negligence of a tour operator may have contributed to this tragedy.

As the world's largest association of travel professionals, we share the committee's interest in protecting the public from travel scams and other unethical behavior. Members of ASTA pledge to conduct their business principles according to a comprehensive Code of Ethics, and ASTA actively encourages consumers to inform its Consumer Affairs department of any alleged fraud or other unethical conduct by its members. We are an organization of professionals who maintain ongoing ethics and business education through our Verified Travel Advisor program. One bad actor sours the entire profession, and ASTA is committed to ensuring that consumers choose a travel advisor they can trust.

SB 922 would create a seller of travel registration program and impose other new requirements on agencies in the state and across the country. Under the proposed legislation, starting on

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[ASTA.org](https://www.asta.org)



October 1, 2025, any travel agency that resides in Maryland or solicits business from a Maryland resident must register with the state at a cost of \$300 per year and provide “evidence of financial security.” Registrants would have to obtain a surety bond ranging in amounts from \$10,000 to \$50,000, depending on gross business income, or alternatively, obtain professional liability insurance in the amount of \$1 million. Consumers who obtain a judgment against the agent or agency could make a claim against the bond to satisfy the judgment. Individual travel advisors who fail to register would be guilty of a misdemeanor and subject to a fine of up to \$10,000. Business entities that fail to register would be guilty of a misdemeanor and subject to a fine of up to \$50,000.

While we endorse efforts to weed out unscrupulous individuals masquerading as *bona fide* travel agents, we question the justification for additional regulation. The tour operator in question was not in good standing with the State of Maryland for not filing the required annual report. In this instance, some of the onus of this situation sits with the state itself for not enforcing its own rules¹. The proposed legislation is an overcorrection for a larger problem of enforcement in Maryland, with legitimate travel professionals forced to pay the price.

We are concerned about the regulatory burden and cost associated with adding another state registration requirement to the list of those that already exist today. This would be especially burdensome on those agencies that do business in multiple states. In recent years, many states have moved to nullify such laws, yet Maryland would be on the reverse course to increase regulatory burden and red tape. Moreover, because the travel advisor profession is unconstrained by state lines, this regulation would undoubtedly be confusing, if not unintentionally overlooked, by travel professionals who only occasionally sell to Maryland residents but live outside the state.

As previously mentioned, all ASTA members are subject to a strict code of conduct. We always encourage consumers to do their homework to find the right travel professional, and we provide the ability for consumers to connect with our Verified Travel Advisors without worrying about being the subject of an unfortunate scam.

While we believe the legislation to be well-intended and extend our sympathies to anyone affected by the actions of incompetent or unscrupulous travel agents, we remain concerned that it does not strike the right balance between protecting consumers and minimizing burdens and government mandates on professional, ethical travel advisors and agencies in Maryland and across the country. ASTA and its members would welcome the opportunity to work with the committee to craft a bill that is fair to both consumers and travel advisors, but we respectfully request that you delay consideration of SB 922 until the appropriate balance can be struck.

¹ [WJLA: “Travel company hired by Maryland couple who died in Mecca ‘not in good standing’”](#)

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Thank you for considering our views on this critical issue. If you or your staff have any questions, please do not hesitate to contact Jessica Klement, Vice President of Advocacy, at jklement@asta.org. Further, should you be interested in speaking directly with travel advisors in Maryland, Jessica would be happy to connect you.

Yours Sincerely,

Zane Kerby
President and Chief Executive Officer

CC: The Hon. Dawn Gile (Bill Sponsor)

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