

BRIAN E. FROSH
Attorney General

WILLIAM D. GRUHN
Chief
Consumer Protection Division

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Fax No.

Writer's Direct Dial No.

(410) 576-6306

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TO: The Honorable Shane Pendergrass, Chair
Health and Government Operations Committee

FROM: Karen M. Valentine
Assistant Attorney General and Director, CPD Registration Units

RE: Senate Bill 106 – Licensing – Good Standing With the State Department
of Assessments and Taxation – Requirement (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports Senate Bill 106, a Departmental bill that would clarify that a business entity must be in good standing with the Department of Assessments and Taxation (SDAT) before a State agency may renew its license.

The Division operates a number of registration programs, including the Home Builder Registration Program, which requires all Maryland home builders to register with our Office. Since a condition of operating a business in Maryland is the requirement that a business entity be in good standing with SDAT, the Division checks the business' status with SDAT as part of its review of a registration application. When the Division informs a business that its registration application cannot be processed because the business entity is not in good standing, a business will sometimes question whether that is a requirement for registration. The Division has always denied registration until the business is in good standing, but SB 106 makes it absolutely clear that being in good standing with SDAT is a requirement for renewal of a business' registration.

Accordingly, the Consumer Protection Division requests that the House Health and Government Operations Committee issue a favorable report on Senate Bill 106.

cc: Members, Health and Government Operations Committee