



COMPTROLLER *of* MARYLAND

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# Citation Workgroup: Business License Enforcement

June 16, 2025



# OVERVIEW: BUSINESS LICENSES

- FEB administers approximately 82,000 business licenses per year, most of which are for retail businesses (e.g., Traders, Chain, Restaurant)
- License period runs from May 1<sup>st</sup> through April 30<sup>th</sup>
- Approximately 15-20% of licenses are held annually due to liability holds
- Liability holds stem from the Comptroller's office (employer withholding tax and/or sales and use tax); Department of Labor (unemployment tax); or State Department of Assessments & Taxation (personal property taxes or charter issues)

# ENFORCEMENT: BUSINESS LICENSES

- Comptroller Field Agents perform both routine and strategic business license inspections
- Agents work from lists that identify businesses who were unable to renew their license due to a license hold and are therefore subject to enforcement actions
- Enforcement actions include education and criminal citations, depending on the circumstances; criminal citations are used as a tool of last resort to bring the business into compliance
- Agents will typically work with the SAOs throughout the state to seek dismissal of the charges against business operators if they come into compliance following receipt of citation

# PROCEDURE: BUSINESS LICENSE ENFORCEMENT

## Businesses with Liability Holds

- Agents follow OAG guidance on criminal citations
- Any employee of a business may receive the citation, as they are acting as an “Agent” of the business, though this would not be typical
- We seek to locate the owner first, or alternatively, the management staff (General Manager, Manager, Assistant Manager); Agents use discretion to identify proper party
- Education is provided to the business on their responsibilities as a business license holder and respective issue(s) in their scenario
- If a citation is warranted, one is issued; this may happen the same day or at a point in time after education is provided where failure to comply remains an issue

# PROCEDURE: BUSINESS LICENSE ENFORCEMENT

## Routine Inspections

- Agents conduct routine inspections of business types such as flea markets, street vendors, and other “pop-up” type entities
- Routine inspections serve to provide education to business operators on requirements for business operation and thereby foster voluntary compliance
- Routine inspections also serve as a deterrence against non-compliance
- Many unlicensed business entities are discovered through this method of enforcement
- Because of the nature of such businesses (here today, gone tomorrow types), both education and citations are generally issued during the initial visit

# PROCEDURE: BUSINESS LICENSE ENFORCEMENT

## Letter to Businesses Operating without Proper License(s)



COMPTROLLER of MARYLAND

Brooke E. Lierman  
Comptroller

C. Van Howeth  
Director  
Field Enforcement Bureau

Greetings Business Owner/Operator,

Greetings! On \_\_\_\_\_ a Field Enforcement Agent with the Maryland Comptroller's Field Enforcement Bureau conducted a routine inspection and found that your business does not have the required state business license to operate lawfully in Maryland. This document provides additional information about the role of the Field Enforcement Bureau, state business licenses, and what you need to do if you were issued a citation.

The mission of the Field Enforcement Bureau of the Maryland Office of the Comptroller is to protect State revenue, taxpayers, and consumers, and to offer interpretation and guidance to select industries through a program of inspection, education, analyses, and enforcement to ensure compliance with State laws and regulations.

In Maryland, before you engage in business as a retailer, you must obtain a sales and use tax license from the Office of the Comptroller by completing the combined registration application which can be found online at: <https://forms.marylandtaxes.gov/currentforms/CRA.pdf>.

Certain businesses may also be required to obtain other state business licenses, such as traders, chain, or restaurant licenses. These licenses are issued by your local Circuit Court Clerk and must be renewed through their office on an annual basis.

The Office of the Circuit Court Clerk may deny a business license renewal if the business has unpaid liabilities with the Office of the Comptroller, the State Department of Assessments and Taxation, the Department of Labor, or a local municipality until those liabilities have been satisfied.

Field Agents conduct both random and targeted inspections of businesses that are required to be licensed under the Business Regulation Article, Title 17. In instances where businesses are found to be operating without the required license, representatives of the business may be issued citations in accordance with the Criminal Procedure Article, Title 4.

Please be advised that you need to take the following steps if you have an outstanding liability, need to obtain a business license, or if you were issued a citation:

- 1) Contact the appropriate State agency or local municipality to resolve any unpaid tax liabilities.
- 2) Contact your local Circuit Court Clerk's office and obtain or renew the required business License.
- 3) Display the valid business license as required by law.

- 4) Email a copy of the valid business license to the Agent listed on any citations issued.
- 5) If you received a citation, attend the required District Court hearing and bring a copy of the valid business license. You will receive a summons in the mail from the District Court.

The Agencies listed below, or your local municipality, may help resolves any unpaid liabilities:

- The Comptroller's Compliance Division may be contacted at 410-649-0633 or [edcollectionbizz@marylandtaxes.gov](mailto:edcollectionbizz@marylandtaxes.gov)
- The Maryland Department of Labor may be contacted at 410-949-0033 or [dluiemployerssistance-labor@maryland.gov](mailto:dluiemployerssistance-labor@maryland.gov) or [dluilicnrelease-labor@maryland.gov](mailto:dluilicnrelease-labor@maryland.gov)
- The Maryland Department of Assessment and Taxation may be contacted at 410-767-1330 or [sdatt.csc@maryland.gov](mailto:sdatt.csc@maryland.gov)

The following Field Enforcement Bureau Agent inspected your business today and may be contacted if additional information or assistance is needed. Thank you!

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent Name, ID Number

\_\_\_\_\_  
Agent Cellphone Number

\_\_\_\_\_  
Agent E-mail address

*The information offered is of a general nature and does not constitute legal advice. The business owner or operator who was issued a citation may engage legal representation as they seek resolution.*



80 Calvert Street, Annapolis, Maryland 21401 410-260-7388 1-800-552-3941 (MD) [www.marylandtaxes.gov](http://www.marylandtaxes.gov)  
Fax: 410-974-5564 Maryland Relay 711 TTY 410-260-7157 [feb@marylandtaxes.gov](mailto:feb@marylandtaxes.gov)

# STATISTICS: BUSINESS LICENSE INSPECTIONS & ENFORCEMENT

## 2025 – As of April 2025

- Performed 11,427 business license inspections and issued 947 citations for violations
- Currently averaging 1,143 inspections and 95 violations per month

## 2024 – Full Fiscal Year

- Performed 10,291 business license inspections and issued 862 citations for violations
- Averaged 858 inspections and 72 violations per month



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# Questions?





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**Thank you!**