

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 11 (Senator Teitelbaum)

Finance

Economic Matters

Trader's Licenses - Exception for Exhibitors at Antique, Coin, or Collector Shows

The bill exempts an exhibitor at an antique, coin, or collector show from the trader's license requirement if the exhibitor provides an affidavit to the show promoter attesting that the exhibitor:

- will display and sell at the show;
- receives less than 10% of the exhibitor's annual income in the State from selling the kind of goods being exhibited; and
- has not participated in more than three similar shows in the State in the past 365 days.

Fiscal Summary

State Effect: Minimal decrease in general fund revenues. No effect on general fund expenditures.

Local Effect: Minimal decrease in revenues.

Small Business Effect: Minimal.

Analysis

Current Law: The trade license requirement does not apply to growers, makers, or manufacturers of goods; nonresident traveling sales representatives; sample merchants;

certain foreign business representatives; and certain private individuals selling personal effects.

An exhibitor need not get a trader's license if the show is sponsored by: a church, a government entity, an amateur radio association, an antique vehicle or machine organization, a volunteer fire or rescue department, or a model train collector's association. Furthermore, an exhibitor does not need a trader's license if the exhibitor has participated in no more than three shows in the past 365 days and get less than 10% of the exhibitor's annual income from selling the kind of goods that the exhibitor will display and sell at the show.

State Fiscal Effect: It is believed that the bill would apply to a small subset of the least active traders, and therefore it is expected that there would be a minimal decrease in general fund revenues as a result of the bill. The Comptroller's Office collects a 3% fee for administering the trader's licenses on behalf of the counties and Baltimore City; the court clerks collect approximately 5% in fees as well. These two revenue sources flow to the general fund. The remaining 92% of traders' licensing fees is distributed to the local jurisdictions. In fiscal 2000 the amount of general fund revenue collected from trader's licensing was approximately \$605,000.

Local Effect: Approximately 92% of revenue collected from traders' license fees is distributed to the local jurisdictions. In fiscal 2000 this amounted to about \$7.03 million. Because it is believed that this bill would only apply to a relatively small number of traders, and because license fees are fairly low for small-scale traders, it is expected that the bill would generally have a minimal effect on local revenues.

While the aggregate effect on the local jurisdictions is estimated to be minimal, there may be some differences between jurisdictions. Jurisdictions that host larger numbers of trade show events (such as Baltimore County, in which the Timonium Fairgrounds is located) would be harder hit. Baltimore City could also be affected more than other jurisdictions because a different fee schedule applies to Baltimore City. All jurisdictions use a sliding scale based on the value of a trader's stock-in-trade. The schedule for the counties ranges from \$15 to \$800, while the schedule for Baltimore City ranges from \$20 to \$2,125.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office (Bureau of Revenue Estimates),
Department of Legislative Services

Fiscal Note History: First Reader – January 30, 2001
ncs/cer

Analysis by: Brian D. Baugus

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510