

## Restaurant Licenses and Trader's Licenses

### I. General Information.

Business Regulation Article Title 17, Annotated Code of Maryland, which regulates miscellaneous State business licenses, is enforced by the Comptroller's Field Enforcement Bureau ("FEB"). Among the State licenses enforced by FEB are restaurant and trader's licenses. County clerks issue these licenses.

This Technical Bulletin explains the licensing requirements for restaurants that also sell nonfood items.

### II. Restaurant License Required

A restaurant is an establishment that (1) accommodates the public; (2) provides seating; and (3) is equipped with facilities for preparing and serving food.<sup>1</sup>

A restaurant, except a restaurant operating in Montgomery County,<sup>2</sup> must have a restaurant license to operate in the State.

### III. Trader's License Required

A trader is a person who operates a room or other place of business for selling goods, including goods sold at auction.<sup>3</sup>

Generally, a person must have a trader's license when they do business as a trader or exhibitor in the state. A separate trader's license is required for each store, fixed place of business, or mobile place of business in the State.<sup>4</sup> A trader's license is required in addition to any other applicable license.

Effective October 1, 2024, a licensed restaurant that that generates 10% or less of its annual sales from nonfood items is **not required** to also have a trader's license.<sup>5</sup> A licensed restaurant that generates more than 10% of its annual sales from nonfood items is required to have **both** a restaurant license and a trader's license.

In Montgomery County, restaurants are not required to have a restaurant license. Therefore, Montgomery County restaurants are required to have a trader's license in all cases.

To determine the percentage of sales attributable to nonfood items, businesses should calculate sales of all items that are not food or beverages and compare that amount to total sales.

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<sup>1</sup> Business Regulation Article § 17-1601, Annotated Code of Maryland (hereinafter, "BR").

<sup>2</sup> Restaurants in Montgomery County are excluded from the requirement to have a restaurant license by BR § 17-01602.

<sup>3</sup> BR § 17-101(h).

<sup>4</sup> BR § 17-1803(a) - (c).

<sup>5</sup> BR § 17-0803(d)(4).

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