

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 14 (Delegate Rosenberg)  
Economic Matters

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**Fees for Licenses Issued Under Business Regulation Article**

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This bill provides that an issuing authority must prorate the fees charged for an initial two-year license issued under the Business Regulation Article relating to (1) home improvement; (2) heating, ventilation, air-conditioning, and refrigeration; and (3) secondhand precious metal dealers and pawnbrokers.

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**Fiscal Summary**

**State Effect:** General fund revenues would decrease by about \$93,100 in FY 1997. Out-year revenue reductions reflect a full year of prorating fees and growth in the affected industries. General funds expenditures would increase by \$1,000 in FY 1997.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$93,100)	(\$127,800)	(\$131,600)	(\$135,600)	(\$139,600)
GF Expenditures	1,000	0	0	0	0
Net Effect	(\$94,100)	(\$127,800)	(\$131,600)	(\$135,600)	(\$139,600)

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds*

**Local Effect:** None.

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**Fiscal Analysis**

**Bill Summary:** An issuing authority must prorate the fee for an initial professional license issued for a two-year term in the following manner:

- The full fee during the first year of a two-year term.

- One-half of the full fee during the first six months of the second year of a two-year term.
- One-quarter of the full fee during the second six months of the second year of a two-year term.

**State Revenues:** The bill would affect about 2,350 licenses issued annually by the Department of Labor, Licensing, and Regulation. Under current law, it is estimated the department would collect about \$297,800 in licensing fees between October 1, 1996 and June 30, 1997. If the license fees are prorated, as provided by this bill, the department would collect about \$204,700 during this period of time, which amounts to a \$93,100 revenue decrease in fiscal 1997. This figure is based on the assumption that licenses are issued on a continual basis throughout the licensing period. The out-year revenue reductions reflect a full-year of prorated fees and include 3% growth in the affected industries.

It should be noted, however, that the professional licensing programs must be self-sufficient by statutory requirement or by directives of the budget committees. Therefore, if the revised fee schedule does not produce enough revenue to support the various programs, the licensing fees may be increased.

**State Expenditures:** The Department of Labor, Licensing, and Regulation would incur one-time computer programming and printing costs of approximately \$1,000 to implement the prorated fee schedule.

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**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Fiscal Services

**Fiscal Note History:** First Reader - January 25, 1996

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