

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1016 (Delegate Exum)

Economic Matters

Referred to Economic and Environmental Affairs

**Licensing and Regulation - State Board of Heating, Ventilation, Air-Conditioning,
and Refrigeration Contractors**

This amended bill provides that the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors (HVACR) may credit a license applicant with up to six years of work experience which fails to meet current State standards if specified conditions are met. In addition, the board must provide work experience credit of not more than three years to a license applicant who has taught formal courses of study in HVACR services. The bill prohibits the board from increasing any HVACR fees before January 1, 1997.

Fiscal Summary

State Effect: General fund revenues could increase by about \$20,000 in FY 1997. Future year revenue projections reflect the biennial renewal fees which are due in even-numbered years, turnover, and growth. General fund expenditures could increase by about \$14,600 in FY 1997, which represents the one-time cost of licensing applicants.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$20,000	\$40,800	\$2,000	\$41,600	\$2,050
GF Expenditures	14,600	0	0	0	0
Net Effect	\$5,400	\$40,800	\$2,000	\$41,600	\$2,050

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

Local Effect: None.

Fiscal Analysis

State Revenues: Changing the licensing requirements would have the greatest impact on applicants seeking a journeyman's license. The Department of Labor, Licensing, and Regulation estimates that approximately 800 applicants will meet the revised qualifications for journeyman licenses and apply for a license before July 1, 1997. The licensing fee for a journeyman license is \$50 which must be prorated to reflect the time remaining in the licensing term. The State will collect about \$20,000 in licensing fees in fiscal 1997 which will be deposited into the general fund. The licenses must be renewed in fiscal 1998 and fiscal 2000. Future year projections reflect the biennial renewal pattern with 3% turnover and 2% growth.

State Expenditures: The Department of Labor, Licensing, and Regulation will need a contractual employee for a period of nine months in fiscal 1997 to license the 800 applicants. The cost of this contractual employee will be about \$14,600, which includes salaries of about \$11,900.

Information Source(s): Department of Labor, Licensing, and Regulation

Fiscal Note History: First Reader - February 9, 1996
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