

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 1304 (Delegates Busch and Gordon)  
Economic Matters Referred to Economic and Environmental Affairs

Business Occupations and Professions - Fees for Licensure and  
Renewal of Licensure and Certification

This amended bill reduces the license, certification, and renewal fees for certified public accountants, cosmetologists, electricians, plumbers, land surveyors, athletic occupations, secondhand precious metal object dealers, and heating, ventilation and air-conditioning repair contractors. The bill is effective July 1, 1998.

Fiscal Summary

**State Effect:** General fund revenues would decrease an estimated \$1,170,800 in FY 1999. Out-year revenue projections reflect the biennial licensing term of most of the affected occupations and industry growth. Expenditures would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$1,170,800	(\$1,500,500)	(\$1,211,300)	(\$1,526,000)	(\$1,261,600)
GF Expenditures	0	0	0	0	0
Net Effect	\$1,170,800	(\$1,500,500)	(\$1,211,300)	(\$1,526,000)	(\$1,261,600)

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

**Local Effect:** None.

**Small Business Effect:** Meaningful effect on small businesses in the affected industries as discussed below.

Fiscal Analysis

**State Revenues:** The bill alters the license, certification, and renewal fees for the following occupations as set forth in **Exhibit 1**.

## Exhibit 1

### Current Licenses

Occupational Board	Category of License	Current # of Licensees	License Renewal Term	Current Fee	HB 1304 Fee	Revenue Loss Per License Term
CPA	Active	12,000	FY99/FY01/FY03	80	40	480,000
	Inactive	4,200		40	20	84,000
Cosmetology	ALL	34,000	FY00/FY02	50	25	850,000
Electricians	ALL	3,500	FY99/FY01/FY03	100	25	262,500
Plumbing	Master	2,950	FY99/FY01/FY03	100	70	88,500
	Journey	2,100		50	35	31,500
	Propane	300		50	35	4,500
Land Surveyors	Land	500	FY99/FY01/FY03	150	60	45,000
	Property	440		100	40	26,400
Athletic	Boxer	162	Annually	20	10	1,620
	Ref/Judge	19		25	15	190
	Manager	35		50	25	875
	Matchmaker	6		50	25	150
	Promoter	11		300	150	1,650
HVACR	Master	1,400	FY00/FY02	225	75	210,000
	Restricted	1,450		75	25	72,500
	Limited	800		225	75	90,000
	Journey	5,100		50	20	153,000
	Apprentice	3,000		25	10	45,000
Precious Metals	Dealer	325	FY99/FY01/FY03	300	75	73,125

Source: Department of Labor, Licensing and Regulation

In addition to the revenue decrease resulting from the reduced license, certification, and renewals for existing licenses, an estimated \$100,000 will be lost biennially on new licenses issued at the reduced fee levels provided in the bill.

The revenue losses in fiscal 1999, 2001, and 2003 reflect the reduced biennial renewal fees

for certified public accountants, electricians, plumbers, surveyors, and secondhand precious metal objects dealers. The athletic occupations licenses are renewed annually and the reduced fees for those licenses are also captured in the 1999 and 2001 revenue projections. Revenues are projected to decrease by \$1,170,800 in fiscal 1999, \$1,211,300 in fiscal 2001, and \$1,261,600 in fiscal 2003. Certified public accountants industry growth is 3% and electrician industry growth is 2%. The growth of both occupations together accounts for an additional \$20,800 in revenue loss in fiscal 1999, \$61,300 in fiscal 2001, and \$111,600 in fiscal 2003, due to the reduced licensing fees required by the bill. New licenses are also estimated to account for a \$50,000 revenue loss annually in each of the out-years.

The revenue losses in fiscal 2000 and 2002 reflect the reduced biennial renewal fees for cosmetologists and HVACR contractors. The athletic occupations licenses are renewed annually and the reduced fees for those licenses are also captured in the fiscal 2000 and 2002 revenue projections. Revenues are projected to decrease by \$1,500,500 in fiscal 2000 and \$1,526,000 in fiscal 2002. Industry growth in the field of cosmetology is estimated at 1.5%. This accounts for a \$25,500 revenue loss in fiscal 2000 and a \$51,000 revenue loss in fiscal 2002. New licenses are also estimated to account for a \$50,000 revenue loss annually in each of the out-years.

**Small Business Effect:** There are an estimated 72,100 individuals that hold licenses for which the fees would be reduced as a result of this bill. It is assumed that the majority of these licensees or certificate holders are employed by small businesses. Thus, those certified public accountants, cosmetologists, electricians, plumbers, surveyors, HVACR contractors, secondhand precious metal object dealers, and athletic services providers who hold licenses in the State would experience reduced expenditures as a result of the reduction in licensing and renewal fees. These reduced fees would decrease the cost of doing business and reduce barriers to entry for new small businesses in any of these licensed professions.

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

**Fiscal Note History:** First Reader - March 10, 1997  
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Analysis by: Shelley Finlayson  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710