

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 253

(The Speaker)(By Request - Department of Legislative Services)

Economic Matters

Education, Health, and Environmental Affairs

State Board of Stationary Engineers - Sunset Extension and Program Evaluation

This bill extends the termination date for the State Board of Stationary Engineers by 10 years to July 1, 2024, and requires a preliminary evaluation of the board by December 15, 2021.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: General fund revenues and expenditures for the State Board of Stationary Engineers are maintained beyond FY 2014. The Governor's proposed FY 2015 budget assumes continuation of the board and includes \$36,600 for board operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 613 of 2005 requires an individual to be licensed by the State Board of Stationary Engineers before providing stationary engineering services in the State. Licenses are issued in five grades, generally distinguished by the horsepower of the boiler the licensee is authorized to oversee. A license is required of any individual who oversees a boiler that operates at a pressure of more than 15 pounds per square inch and a minimum of 30 horsepower.

Boiler Regulation Split Between Multiple Regulatory Entities

Maryland's system of boiler regulation is split between two divisions of the Department of Labor, Licensing, and Regulation (DLLR): (1) the Division of Occupational and Professional Licensing, which houses the State Board of Stationary Engineers; and (2) the Division of Labor and Industry, which houses the Boiler Inspection Unit and the Board of Boiler Rules. The State Board of Stationary Engineers has regulatory jurisdiction over all of the State's stationary engineers who operate and maintain steam and power generators, heating plants, boilers, pressure valves, and other systems. The Boiler Inspection Unit oversees the inspection of boilers and pressure vessels and investigates any boiler and pressure vessel accidents. The Board of Boiler Rules recommends regulations for boiler and pressure vessels.

Maryland Program Evaluation Act

The State Board of Stationary Engineers is 1 of approximately 70 regulatory entities and activities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as "sunset review" as most entities evaluated are also subject to termination, including the board, which is scheduled to terminate July 1, 2014. The sunset review process traditionally begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC), although a few entities are subject to direct full evaluation. LPC decides whether to waive an agency from further (or full) evaluation. If waived, legislation to reauthorize the agency typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

A copy of the DLS preliminary sunset report (and the follow-up report, discussed below) on the State Board of Stationary Engineers can be found at <http://dls.state.md.us/Content.aspx?page=104>.

Preliminary Evaluation Findings and Recommendations

The State Board of Stationary Engineers underwent a preliminary evaluation as part of sunset review in 2011, in which DLS concluded that it was too early to determine whether recent efforts undertaken by the board to (1) improve compliance with the licensing requirement; (2) coordinate efforts with the Board of Boiler Rules; and (3) address the looming shortage of stationary engineers were sufficient and effective.

DLS recommended that the board, the Board of Boiler Rules, and DLLR submit a follow-up report addressing the issues raised in the preliminary evaluation. DLS also deferred a recommendation to LPC on whether to waive the board from full evaluation and for what period of time to extend the board's termination date until after receiving

the follow-up report. If the report was not submitted, DLS was to automatically conduct a full evaluation of the board during the 2013 interim. LPC adopted these recommendations at its December 2011 meeting.

DLS received the follow-up report on October 1, 2012, which addressed all of the issues requested by DLS. The report addressed (1) board meetings and coordination; (2) complaint volume; (3) that board revenues continue to exceed costs; and (4) the potential merger with the Board of Boiler Rules. In December 2012, DLS submitted an update on the preliminary evaluation to LPC that recommended that the board be waived from further evaluation and that the board's termination date be extended by 10 years to July 1, 2024. DLS also recommended in the update that the board consider a reduction in licensing fees in conjunction with an assessment of its current and future staffing needs. DLS further found that there was no need for the board to submit any additional follow-up report.

Additional Comments: DLS advises that legislation extending the State Board of Stationary Engineers was not introduced in 2013 due to an oversight. If not reauthorized in the 2014 legislative session, the board and the licensing and regulation of stationary engineers will terminate on July 1, 2014.

Additional Information

Prior Introductions: None.

Cross File: SB 292 (The President) (By Request - Department of Legislative Services) - Education, Health, and Environmental Affairs.

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

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Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510