

# HOUSE BILL 246

C2

71r0105

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 23, 2017

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Labor, Licensing, and Regulation – State Occupational**  
3 **Mechanical Licensing Boards – Fund and Fees**

4 FOR the purpose of establishing the State Occupational Mechanical Licensing Boards’  
5 Fund as a special, nonlapsing fund in the Department of Labor, Licensing, and  
6 Regulation; specifying the contents of the Fund; requiring that the Fund be used for  
7 certain purposes; requiring the Secretary of Labor, Licensing, and Regulation, or a  
8 designee of the Secretary, to administer the Fund; providing for an audit of the Fund;  
9 requiring any unspent and unencumbered portion of the Fund in excess of a certain  
10 amount to revert to the General Fund at the end of each fiscal year; crediting certain  
11 earnings to the General Fund; requiring the Secretary, in consultation with the State  
12 Board of Master Electricians, the State Board of Stationary Engineers, the State  
13 Board of Plumbing, and the State Board of Heating, Ventilation, Air–Conditioning,  
14 and Refrigeration Contractors, to calculate annually certain costs; authorizing the  
15 State Board of Master Electricians, the State Board of Stationary Engineers, the  
16 State Board of Plumbing, and the State Board of Heating, Ventilation,  
17 Air–Conditioning, and Refrigeration Contractors to set by regulation certain fees  
18 based on certain calculations; requiring certain boards to publish certain fee  
19 schedules; repealing provisions of law requiring certain boards to pay certain money  
20 into the General Fund of the State; repealing a provision of law requiring the  
21 Secretary to monitor revenues of the State Board of Master Electricians for a certain  
22 purpose; requiring certain boards to pay certain fees to the Comptroller; requiring  
23 the Comptroller to distribute certain fees to the Fund; prohibiting certain fees from  
24 being increased by more than a certain amount each year; altering certain fees;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 requiring that certain fees in effect on a certain date shall remain in full force and  
2 effect until certain other fees are adopted and become effective; providing for a  
3 delayed effective date; and generally relating to the State Occupational Mechanical  
4 Licensing Boards' Fund.

5 BY repealing  
6 Article – Business Occupations and Professions  
7 Section 6–207, 6–606, and 12–209  
8 Annotated Code of Maryland  
9 (2010 Replacement Volume and 2016 Supplement)

10 BY adding to  
11 Article – Business Occupations and Professions  
12 Section 6–207 and 12–209  
13 Annotated Code of Maryland  
14 (2010 Replacement Volume and 2016 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Business Occupations and Professions  
17 Section 6–309(a)(2)(i), 6–310(c)(2), 6–311(d)(3)(ii), (4)(ii), and (f)(3), 6–312(a)(3) and  
18 (b), 6–313(d)(2), 6–401(c)(3)(iii), 6–402(b)(2), 6–503(c)(3), 6.5–207,  
19 6.5–304(a)(2)(i), 6.5–313(a)(3) and (b)(2)(iii), 12–303(2), 12–306(a)(2)(ii),  
20 12–308(c)(2), and 12–503(d)(3)(ii)  
21 Annotated Code of Maryland  
22 (2010 Replacement Volume and 2016 Supplement)

23 BY adding to  
24 Article – Business Regulation  
25 Section 2–106.9 and 2–106.10  
26 Annotated Code of Maryland  
27 (2015 Replacement Volume and 2016 Supplement)

28 BY repealing and reenacting, with amendments,  
29 Article – Business Regulation  
30 Section 9A–207  
31 Annotated Code of Maryland  
32 (2015 Replacement Volume and 2016 Supplement)

33 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
34 That the Laws of Maryland read as follows:

35 **Article – Business Occupations and Professions**

36 [6–207.

37 The State Board shall pay all money collected under this title into the General Fund  
38 of the State.]

1 **6-207.**

2 (A) (1) **THE STATE BOARD MAY SET BY REGULATION REASONABLE FEES**  
3 **FOR ITS SERVICES.**

4 (2) **THE FEES CHARGED SHALL BE:**

5 (I) **SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**  
6 **OF MAINTAINING THE STATE BOARD; AND**

7 (II) **BASED ON THE CALCULATIONS PERFORMED BY THE**  
8 **SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

9 (B) **THE STATE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY**  
10 **THE STATE BOARD.**

11 (C) (1) **THE STATE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS**  
12 **TITLE TO THE COMPTROLLER.**

13 (2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**  
14 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED UNDER §**  
15 **2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

16 **6-309.**

17 (a) If an applicant qualifies for a State license under this subtitle, the State Board  
18 shall send the applicant a notice that states that:

19 (2) the State Board will issue a State license to the applicant on receipt of:

20 (i) **[\$20] A LICENSE FEE SET BY THE STATE BOARD;** and

21 **6-310.**

22 (c) Before a State license expires, the State licensee periodically may renew it for  
23 an additional 2-year term, if the State licensee:

24 (2) pays to the State Board a renewal fee **[of \$25] SET BY THE STATE**  
25 **BOARD;**

26 **6-311.**

27 (d) (3) Before the inactive status expires, an individual on inactive status  
28 periodically may renew it for an additional 2-year term, if the individual:

1 (ii) except for an electrical inspector, pays to the State Board a  
2 renewal fee [of \$50] **SET BY THE STATE BOARD**; and

3 (4) After an inactive status expires, the former licensee may reapply for  
4 inactive status only if the former licensee:

5 (ii) pays to the Board a reapplication fee [of \$100] **SET BY THE**  
6 **STATE BOARD**; and

7 (f) The State Board shall reactivate the State license of an individual who is on  
8 inactive status, if the individual:

9 (3) pays to the State Board a reactivation fee [of \$50] **SET BY THE STATE**  
10 **BOARD**.

11 6–312.

12 (a) The State Board shall reinstate the State license of a master electrician who  
13 is not on inactive status and who has failed to renew the State license for any reason, if the  
14 master electrician:

15 (3) in addition to the renewal fee required under § 6–310 of this subtitle,  
16 pays to the State Board a reinstatement fee [of:

17 (i) \$25 for up to and including a 30–day late renewal;

18 (ii) \$50 for up to and including a 60–day late renewal; or

19 (iii) \$100 for a late renewal over 60 days] **SET BY THE STATE**  
20 **BOARD**.

21 (b) If a master electrician who has failed to renew the State license for any reason  
22 applies for reinstatement more than 2 years after the State license has expired, the State  
23 Board shall require the master electrician to pay a reinstatement fee [of \$100] **SET BY THE**  
24 **STATE BOARD**, and comply with the requirements for obtaining a State license under §§  
25 6–304, 6–307, and 6–503 of this title.

26 6–313.

27 (d) The State Board may change the status of an electrical inspector to individual  
28 inactive status, if the electrical inspector:

29 (2) pays an inactive status fee [of \$50] **SET BY THE STATE BOARD**.

30 6–401.

1 (c) (3) If, after issuance of a State license to an individual, the individual  
2 intends to assign a local license obtained on the basis of the State license, the individual  
3 shall:

4 (iii) pay to the State Board an identification fee [of \$50] SET BY THE  
5 STATE BOARD;

6 6-402.

7 (b) To change an assignment of a local license, an applicant shall:

8 (2) pay to the State Board a change of status fee [of \$50] SET BY THE  
9 STATE BOARD;

10 6-503.

11 (c) The State Board shall grant a waiver under this section for an applicant who  
12 holds a license from a local jurisdiction only if the applicant:

13 (3) pays any reciprocal license fee [required under this title] SET BY THE  
14 STATE BOARD;

15 [6-606.

16 (a) The General Assembly intends that the revenues of the State Board be  
17 sufficient to meet its costs, including reasonably apportioned Department overhead.

18 (b) The Secretary shall:

19 (1) monitor the fees and other revenue of the State Board for compliance  
20 with the intent of this section; and

21 (2) recommend adjustments, if necessary.]

22 6.5-207.

23 (a) Subject to [subsections (b) and (c)] SUBSECTION (B) of this section, the Board  
24 may set BY REGULATION reasonable fees for its services.

25 (b) [Except as provided in subsection (c) of this section, revenues generated by the  
26 Board shall be at least equal to the direct and indirect costs associated with the operation  
27 of the Board.

28 (c) The Board shall require the following fees for the issuance or renewal of the  
29 following licenses:

1 (1) Grade 1 license – \$65;

2 (2) Grade 2 or Grade 3 license – \$50; and

3 (3) Grade 4 or Grade 5 license – \$35.

4 (d) The Board shall pay all money collected under this title into the General Fund  
5 of the State.]

6 **EXCEPT FOR EXAMINATION FEES, WHICH MAY NOT EXCEED THE COSTS OF**  
7 **ADMINISTERING THE EXAMINATION, THE FEES CHARGED SHALL BE:**

8 **(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF**  
9 **MAINTAINING THE BOARD; AND**

10 **(2) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY**  
11 **UNDER § 2–106.10 OF THE BUSINESS REGULATION ARTICLE.**

12 **(C) THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**  
13 **BOARD.**

14 **(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**  
15 **TO THE COMPTROLLER.**

16 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**  
17 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**  
18 **2–106.9 OF THE BUSINESS REGULATION ARTICLE.**

19 6.5–304.

20 (a) An applicant for a license shall:

21 (2) pay to the Board or the Board's designee:

22 (i) a nonrefundable application fee [of \$25] **SET BY THE BOARD;**

23 and

24 6.5–313.

25 (a) The Board shall reinstate the license of an individual who, for any reason, has  
26 failed to renew the license, if the individual:

27 (3) except as otherwise provided in subsection (c) of this section, pays to  
28 the Board a reinstatement fee [of \$100] **SET BY THE BOARD**, in addition to all past due  
29 renewal fees.

1 (b) (2) The Board may reinstate a license under paragraph (1)(ii) of this  
2 subsection only if the individual:

3 (iii) except as otherwise provided in subsection (c) of this section, pays  
4 to the Board a reinstatement fee [of \$100] **SET BY THE BOARD**, in addition to all past due  
5 renewal fees.

6 [12-209.

7 The Board shall pay all money collected under this title into the General Fund of the  
8 State.]

9 **12-209.**

10 (A) (1) **THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS**  
11 **SERVICES.**

12 (2) **THE FEES CHARGED SHALL BE:**

13 (I) **SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**  
14 **OF MAINTAINING THE BOARD; AND**

15 (II) **BASED ON THE CALCULATIONS PERFORMED BY THE**  
16 **SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

17 (B) **THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**  
18 **BOARD.**

19 (C) (1) **THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**  
20 **TO THE COMPTROLLER.**

21 (2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**  
22 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**  
23 **2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

24 12-303.

25 An applicant for a license shall:

26 (2) except as otherwise provided in this subtitle, pay to the Board or the  
27 Board's designee an examination fee **SET BY THE BOARD FOR:**

1 (i) [for] a master plumber license, a journey plumber license, or a  
2 master natural gas fitters license, in an amount [set by the Board,] not to exceed the cost  
3 of the required examination;

4 (ii) [for] an apprentice plumber license or apprentice natural gas  
5 fitters license [of \$15];

6 (iii) [for] a propane gas fitter certificate [of \$25];

7 (iv) [for] a journeyman natural gas fitters license [of \$25]; or

8 (v) [for] a master natural gas fitters license without examination [of  
9 \$50].

10 12-306.

11 (a) If an applicant qualifies for a journey plumber license, a master plumber  
12 license, a limited license, a master natural gas fitters license, a journeyman natural gas  
13 fitters license, an apprentice natural gas fitters license, or a propane gas fitter certificate  
14 under this subtitle, the Board shall send the applicant a notice that states that:

15 (2) the Board will issue a license to the applicant on receipt of:

16 (ii) a license fee [of:

17 1. \$70 for a master plumber license or a limited master  
18 plumber license;

19 2. \$35 for a journey plumber license or a limited journey  
20 plumber license;

21 3. \$35 for a propane gas fitter certificate;

22 4. \$70 for a master natural gas fitters license; or

23 5. \$35 for a journeyman natural gas fitters license] **SET BY**  
24 **THE BOARD.**

25 12-308.

26 (c) Before a license expires, the licensee may renew it for an additional 2-year  
27 term, if the licensee:

28 (2) pays to the Board a renewal fee [of:

- 1 (i) \$70 for a master plumber license or a limited master plumber  
2 license;
- 3 (ii) \$35 for a journey plumber license or a limited journey plumber  
4 license;
- 5 (iii) \$15 for an apprentice plumber license or apprentice natural gas  
6 fitters license;
- 7 (iv) \$35 for a propane gas fitter certificate;
- 8 (v) \$35 for a master natural gas fitters license; or
- 9 (vi) \$25 for a journeyman natural gas fitters license] **SET BY THE**  
10 **BOARD**; and
- 11 12-503.

12 (d) (3) On termination of the appointment or employment of an individual as  
13 a plumbing inspector, the Board shall reactivate the master plumber license, journey  
14 plumber license, or limited license of an individual who is on inactive status, without  
15 examination, if the individual:

- 16 (ii) pays to the Board a reactivation fee [of:
- 17 1. \$20, for a journey plumber or holder of a limited journey  
18 plumber license; or
- 19 2. \$50, for a master plumber or holder of a limited master  
20 plumber license] **SET BY THE BOARD**.

## 21 Article – Business Regulation

### 22 2-106.9.

23 (A) IN THIS SECTION, “FUND” MEANS THE STATE OCCUPATIONAL  
24 MECHANICAL LICENSING BOARDS’ FUND.

25 (B) THIS SECTION APPLIES TO THE FOLLOWING OCCUPATIONAL LICENSING  
26 BOARDS:

27 (1) THE STATE BOARD OF MASTER ELECTRICIANS ESTABLISHED  
28 UNDER TITLE 6 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

29 (2) THE STATE BOARD OF STATIONARY ENGINEERS ESTABLISHED  
30 UNDER TITLE 6.5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

1           **(3) THE STATE BOARD OF PLUMBING ESTABLISHED UNDER TITLE 12**  
2 **OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND**

3           **(4) THE STATE BOARD OF HEATING, VENTILATION,**  
4 **AIR-CONDITIONING, AND REFRIGERATION CONTRACTORS ESTABLISHED UNDER**  
5 **TITLE 9A OF THIS ARTICLE.**

6           **(C) (1) THERE IS A STATE OCCUPATIONAL MECHANICAL LICENSING**  
7 **BOARDS' FUND IN THE DEPARTMENT.**

8           **(2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
9 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

10          **(D) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, EACH OCCUPATIONAL**  
11 **LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION SHALL PAY ALL**  
12 **FEES COLLECTED TO THE COMPTROLLER.**

13           **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.**

14          **(E) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED**  
15 **DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY**  
16 **DUTIES OF EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B)**  
17 **OF THIS SECTION.**

18          **(F) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL**  
19 **ADMINISTER THE FUND.**

20          **(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
21 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**  
22 **GOVERNMENT ARTICLE.**

23          **(H) AT THE END OF EACH FISCAL YEAR, ANY UNSPENT AND UNENCUMBERED**  
24 **PORTION OF THE FUND IN EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL**  
25 **FUND OF THE STATE.**

26          **(I) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE**  
27 **GENERAL FUND OF THE STATE.**

28 **2-106.10.**

29          **(A) (1) IN CONSULTATION WITH EACH BOARD SPECIFIED UNDER §**  
30 **2-106.9 OF THIS SUBTITLE, THE SECRETARY SHALL ANNUALLY CALCULATE THE**  
31 **DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO EACH BOARD.**

1           **(2) EACH BOARD SHALL ESTABLISH FEES BASED ON THE**  
2 **CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.**

3           **(3) EXCEPT FOR THE EXAMINATION FEES UNDER § 12-303(2)(I) OF**  
4 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, EACH FEE**  
5 **ESTABLISHED BY AN INDIVIDUAL BOARD MAY NOT BE INCREASED ANNUALLY BY**  
6 **MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF THE BOARD.**

7           **(B) IN ORDER TO ESTABLISH FEES THAT MORE EQUITABLY DISTRIBUTE THE**  
8 **COSTS ASSOCIATED WITH THE OPERATION OF EACH BOARD AMONG SIMILAR**  
9 **BOARDS, THE SECRETARY MAY AVERAGE THE DIRECT AND INDIRECT COSTS OF ONE**  
10 **OR MORE BOARDS PROVIDED THAT THE BOARDS CONSENT TO HAVING THEIR**  
11 **DIRECT AND INDIRECT COSTS AVERAGED TOGETHER.**

12 9A-207.

13           (a) [Subject to subsections (b) and (c) of this section, the] **THE** Board may set **BY**  
14 **REGULATION** reasonable fees for its services.

15           (b) [Except as provided in subsection (c) of this section, revenues generated by the  
16 Board shall be at least equal to expenses incurred by the Board.

17           (c) The Board shall require the following fees for the issuance or renewal of the  
18 following licenses:

19                   (1) master license – \$75;

20                   (2) master restricted license – \$25 for each area licensed;

21                   (3) limited license – \$75;

22                   (4) journeyman license – \$20; and

23                   (5) apprentice license – \$10.

24           (d) The Board shall pay all money collected under this title into the General Fund  
25 of the State.]

26           **THE FEES CHARGED SHALL BE:**

27           **(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF**  
28 **MAINTAINING THE BOARD; AND**

1                   **(2)    BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY**  
 2 **UNDER § 2-106.10 OF THIS ARTICLE.**

3                   **(C)    THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**  
 4 **BOARD.**

5                   **(D)    (1)    THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**  
 6 **TO THE COMPTROLLER.**

7                   **(2)    THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**  
 8 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**  
 9 **2-106.9 OF THIS ARTICLE.**

10                   SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title 6,  
 11 Subtitles 3, 4, and 5; Title 6.5, Subtitles 2 and 3; and Title 12, Subtitles 3 and 5 of the  
 12 Business Occupations and Professions Article and Title 9A, Subtitle 2 of the Business  
 13 Regulation Article, respectively, in effect on June 30, ~~2017~~ 2018, shall remain in full force  
 14 and effect until the fees authorized to be set by the State Board of Master Electricians, the  
 15 State Board of Stationary Engineers, the State Board of Plumbing, and the State Board of  
 16 Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors, respectively, under  
 17 this Act are adopted and become effective.

18                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 19 1, ~~2017~~ 2018.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.