

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 710
Economic Matters

(Delegate Rogers, *et al.*)

Finance

Business Regulation – Household Goods Movers – Special Fund and Fees

This bill establishes the Household Goods Movers Registration Fund administered by the Maryland Department of Labor (MDL). The purpose of the fund is to cover the actual documented and indirect costs of fulfilling MDL’s duties related to the regulation of household goods movers and moving services. The Office of Legislative Audits must audit the accounts and transactions. Any investment earnings of the fund must be credited to the general fund. MDL must annually calculate the direct and indirect costs attributable to MDL for regulating household good movers; fees must be established based on those calculations. Annual fee increases are limited to 12.5%, as specified. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: No net effect on State finances; however, expected general fund revenues, expenditures, and staffing are replaced by special fund revenues, expenditures, and staffing, as discussed below.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: MDL may set by regulation reasonable fees for its services to carry out requirements related to regulating household goods movers. The fees charged must be (1) set as to produce funds to approximate MDL’s costs and (2) based on the calculations noted above. MDL must publish a schedule of fees.

The fees that are established for the registration of Household Goods Movers that are in effect on June 30, 2024, must remain in full force and effect until the fees authorized by MDL pursuant to the bill are adopted and become effective.

Current Law: Chapters 684 and 685 of 2019 prohibit a person from providing household goods moving services with a commercial vehicle in the State unless the person is registered with MDL.

To apply for a registration as a household goods mover, an applicant must submit an application to MDL and pay an application fee established by MDL. The applicant must provide specified identifying information, such as the applicant's name and physical address. Applications must also include proof of insurance and workers' compensation coverage. Registration copies must be retained in each vehicle used to perform household goods moving services. Registrations must be renewed annually; the renewal fee is also established by MDL. MDL may impose a civil penalty of up to a \$5,000 fine for a violation of household good moving requirements.

State Fiscal Effect: As noted above, Chapters 684 and 685 require the registration of household good movers; the fiscal and policy notes for Chapters 684 and 685 assumed a five-year annual average of approximately \$265,600 in general fund expenditures for additional staff to implement the registration requirements (with corresponding general fund revenues from registration fees). However, MDL has not yet fully implemented the registration and fee requirements, so no revenues have been collected and no expenditures have been made. Once fully implemented, there is likely no net fiscal impact beyond that already assumed in the fiscal and policy notes for Chapters 684 and 685, except that revenues accrue to the special fund instead of the general fund and expenditures for staffing are made from the special fund instead of the general fund.

The exact number of registrants is unknown; however, MDL advises that it anticipates about 870 household movers to register with MDL based on federal data. In order to cover the expected personnel costs, the fee is expected to be set at approximately \$325.00 annually. To the extent the number of household goods movers that register and pay the annual fee varies from the anticipated level, the fee may also vary to cover MDL's administrative costs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 559 (Senator Beidle) - Finance.

Information Source(s): Maryland Department of Labor; Office of Legislative Audits; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2024
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