

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 172

(Chair, Judiciary Committee)(By Request - Departmental
- State Police)

Judiciary

Judicial Proceedings

Department of State Police - Professional Occupations - Application Process

This departmental bill makes technical and procedural changes to (1) the licensing and/or certification processes for private detective agencies and private detectives, security systems agencies and technicians, security guard agencies, and security guards; (2) the commissioning process for special police officers; and (3) the appointment process for railroad police officers to facilitate automated processing of applications and payments. The bill also makes conforming changes. **The bill takes effect June 1, 2024, the effective date of Chapter 763 of 2023. If the effective date of Chapter 763 is amended, the bill takes effect on the taking effect of Chapter 763.**

Fiscal Summary

State Effect: General fund revenues decrease minimally beginning in FY 2025, likely by less than \$10,000 annually, as discussed below. The Department of State Police (DSP) can handle any administrative changes with existing budgeted resources.

Local Effect: None.

Small Business Effect: DSP has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: Licensing and certification applications must be submitted in the manner and format (instead of on a form) designated by the Secretary of State Police. When applicants must submit fingerprints, they must do so in a format (instead of on a form) approved by the Director of the Central Repository and the Director of the Federal Bureau of Investigation (FBI). Specified fees must be paid using a method approved by the Secretary of State Police.

Current Law:

Regulation of Private Detective Agencies, Private Detectives, Security Systems Agencies, Security Systems Technicians, Security Guard Agencies, and Security Guards

The Secretary of State Police is responsible for the licensure of private detective agencies and the certification of private detectives, the licensure of security systems agencies and registration of security systems technicians, and the licensure of security guard agencies and certification of security guards in the State. Generally, applicants must submit to the Secretary of State Police an application on the form the Secretary provides, which includes initial application and renewal fees, in addition to submitting two sets of fingerprints taken on forms approved by the director of the Criminal Justice Information System Central Repository (CJIS-CR) and the Director of the FBI for a criminal history records check. The terms of licenses and certifications are staggered, and renewals occur every three years.

Chapter 763, among other things, generally required individuals serving as security guards and employed by security guard employers to also be certified by the Secretary of State Police.

Special Police Officers

A special police officer holds a commission granted by the Governor. The Secretary of State Police must investigate the character, reputation, and qualifications of each applicant for a special police officer commission. The employer of an applicant for a commission must submit an application in the manner and format designed by the Secretary of State Police, a complete set of the applicant's legible fingerprints, and specified fees to cover the cost of the criminal history records check. Application fees for special police commissions may not be charged to a unit of the State. An initial commission expires three years after the date of issuance and is renewable for a three-year term under specified conditions.

Railroad Police Officers

A railroad police officer is an individual appointed by the Governor to act as a police officer for a railroad company under the Maryland Railroad Police Act. Each railroad company

located wholly or partially in the State may apply for the appointment of railroad police officers (1) to protect property, patrons, passengers, tenants, employees, equipment, and services, and (2) to preserve peace and order on railroad premises, easements, appurtenant property, trains, cars, and other vehicles. An applicant (1) must be of good moral character and may not have been convicted of a felony or misdemeanor involving moral turpitude; (2) must be at least 21 years old; and (3) must be a full-time police officer employed by a railroad company on July 1, 1979, or meet all the educational and training requirements required by the Maryland Police Training and Standards Commission. The chief railroad police officer of a railroad company must submit to the Secretary of State Police under oath an application for appointment of each railroad police officer on the form the Secretary of State Police requires and pay the application fee, as specified. The application fee is nonrefundable. An appointment for a railroad police officer remains in effect until terminated by the railroad company that employs the railroad police officer or revoked for cause by the Governor.

Criminal Justice Information System Central Repository

CJIS-CR within the Department of Public Safety and Correctional Services is a computerized repository of criminal history record information governed by the Code of Federal Regulations and Maryland's statute and regulations. The criminal history record information contained in CJIS-CR is used by the courts, law enforcement agencies, prosecutors, and correctional agencies for criminal justice purposes. Federal and State law prescribe the authorized uses of the data, establish rules for preventing unauthorized access, and allow individuals to challenge and correct the database. The use of criminal history record information is also allowed for certain noncriminal justice purposes, such as employment, licensing, public housing, and research. For a fee, a noncriminal justice entity may obtain a criminal history records check through CJIS-CR by submitting an application that includes the subject's fingerprints.

Background: DSP advises that the current application process for the specified licenses, registrations, and commissions under the bill have a paper application process. In addition, the payment of the specified application fees must be by check or money order. DSP advises that the changes under the bill are broad enough to allow the department to make the entire application process electronic and result in operational efficiencies for the specified applications affected by the bill. DSP further advises that the department has been working on automating its licensure process since 2013 and that professional licenses are the last processes to be automated.

State Revenues: DSP advises that it does not anticipate raising its application fees to account for a 3% processing fee from its online processing vendor. **Exhibit 1** illustrates the number and revenues associated with each type of application affected by the bill during calendar 2023. As the exhibit shows, total revenues were approximately \$318,000. As all licenses, certifications, and commissions are staggered and renew every three years,

the number of applications, and revenues associated with them, vary from year to year. Therefore, a reliable estimate of lost revenues stemming from the 3% third-party processing fee cannot be reliably estimated. It is assumed, however, that annual fluctuations are not extreme. Therefore, to the extent that DSP fully automates its fee payment processes, general fund revenues decrease minimally (estimated at approximately \$9,500) beginning in fiscal 2025 and annually thereafter due to the payment of a 3% processing fee for each application.

Exhibit 1
Affected Applications and Estimated Revenue
Calendar 2023

Application Type	Applications	Application Fee	Collected Fees
Private Detective (Original)	558	\$15	\$8,370
Private Detective (Renewal)	101	\$10	\$1,010
Private Detective Agency (Original)*	15	\$287.50	\$4,313
Private Detective Agency (Renewal)*	101	\$300	\$30,300
Railroad Police (Original)	75	\$160	\$12,000
Security Guard (Original)	6,691	\$15	\$100,365
Security Guard (Renewal)	4,191	\$10	\$41,910
Security Guard Agency (Original)*	60	\$287.50	\$17,250
Security Guard Agency (Renewal)*	38	\$300	\$11,400
Security Systems Agency (Original)	50	\$150	\$7,500
Security Systems Agency (Renewal)	141	\$100	\$14,100
Security Systems Technician (Original)	1,322	\$15	\$19,830
Security Systems Technician (Renewal)	695	\$15	\$10,425
Special Police (Original)	241	\$100	\$24,100
Special Police (Renewal)	254	\$60	\$15,240
		Total Application Fees	\$318,113

* Median application fee assumed for Private Detective Agency and Security Guard Agency applications due to differing fees based on non-incorporated and incorporated statuses.

Source: Department of State Police; Department of Legislative Services

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1280 of 2023.

Designated Cross File: SB 287 (Chair, Judicial Proceedings Committee)(By Request - Departmental - State Police) - Judicial Proceedings.

Information Source(s): Department of Public Safety and Correctional Services; Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2024
km/mcr Third Reader - March 13, 2024
Revised - Amendment(s) - March 13, 2024

Analysis by: Thomas S. Elder

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of State Police - Professional Occupations - Application Process

BILL NUMBER: HB0172

PREPARED BY: Lt Michael Brady

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This legislation will provide a savings in application processing and costs to the business.