

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 298

(Chair, Education, Energy, and the Environment
Committee)(By Request - Departmental - Labor)

Education, Energy, and the Environment

Economic Matters

State Board of Electricians - Licensing - Penalties

This departmental bill authorizes the State Board of Electricians to assess a licensee a civil penalty of up to \$5,000 for each violation of the licensing statute. The civil penalty can be assessed instead of or in addition to other penalties, including a reprimand or the suspension or revocation of a license. In determining the amount of the penalty, the board must consider the seriousness of the violation, the good faith of the licensee, and other related factors. Revenues from civil penalties assessed by the board are paid to the general fund. The bill also requires the board to submit a report on its practices and processes for the timely resolution of complaints filed against licensees. **The bill's provisions related to the report take effect July 1, 2024.**

Fiscal Summary

State Effect: The bill's penalty provisions are not expected to materially affect State finances. The board can prepare the required report with existing resources.

Local Effect: None.

Small Business Effect: The Maryland Department of Labor (MDL) 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: The required report must include, for each year from 2018 through 2023:

- the number and types of complaints filed against State licensees;

- the dates on which each complaint was received and resolved by the board;
- the number of investigators employed by the board;
- a determination by the board as to whether there was a complaint backlog; and
- the average length of time to approve a license.

The report must also include a detailed explanation of the plan and strategies adopted by the board to systematically address the complaint backlog and prevent future backlogs.

The board must complete the report by October 1, 2024, and submit it to specified committees of the General Assembly.

Current Law: An individual must be licensed by the State Board of Electricians as a master, journeyman, or apprentice electrician, as appropriate, before engaging in the activities covered by each license. However, a local jurisdiction may issue local *registrations* for those classifications, subject to specified requirements. Local jurisdictions may establish a local board and require permits, fees, and inspections. Among other requirements, the Maryland Electricians Act:

- requires the State board to adopt specified continuing education requirements for electricians;
- requires the State board to enforce minimum standards for the provision of electrical services; and
- establishes specified consumer protections, violations, and associated fines and penalties.

The State Board of Electricians may deny a State license to an applicant, reprimand a State licensee, or suspend or revoke a State license if the applicant commits any of specified violations of the Maryland Electricians Act. Among the violations are (1) fraudulently or deceptively obtaining or attempting to obtain a license; (2) fraudulently using a State license; (3) engaging in an unfair or deceptive trade practice; (4) failing to maintain general liability and property damage insurance; and (5) providing electrical services that are inadequate or incomplete. Licensees are entitled to a hearing prior to the assessment of a penalty.

Authorizing statutes for the State Board of Electricians do not specify a process for receiving, investigating, or adjudicating consumer complaints made against licensees.

Background: MDL advises that the authority to impose civil fines that is proposed for the State Board of Electricians is already granted to every other occupational and professional licensing entity in the department. The current statewide licensing framework was enacted in 2021 and inadvertently omitted the authority to assess civil fines. MDL advises that the

authority is necessary for instances when a license has expired or when the violation is so egregious that it warrants a monetary penalty.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 22, 2024
rh/ljm Third Reader - March 26, 2024
Revised - Amendment(s) - March 26, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Board of Electricians - Licensing - Penalties

BILL NUMBER: SB 298

PREPARED BY: John Bull, Executive Director, Maryland State Board of Electricians

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X 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