

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 1201 (Delegate Krysiak, et al.)
 Economic Matters

Home Improvement Law - Civil Penalties - License Exception

This bill provides that the licensing requirements of the Home Improvement Commission do not apply to telephone solicitors, door-to-door or in-store canvassers, and specific representatives of a contractor.

In addition, the bill provides that the commission must impose monetary penalties of up to \$10,000 for each violation against an unlicensed person who violates provisions of the State's home improvement law. Licensed contractors remain subject to a \$5,000 civil penalty. Under current law, the commission may impose a penalty against an unlicensed or licensed person of up to \$5,000 for each violation. The commission must make a record of all civil penalties imposed available to the public during office hours.

Fiscal Summary

State Effect: General fund revenues would decrease by about \$11,500 in FY 1997 due to the elimination of certain licensing requirements. Future year revenues reflect the biennial nature of the licensing process and growth. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$11,500)	(\$200)	(\$11,900)	(\$200)	(\$12,400)
GF Expenditures	0	0	0	0	0
Net Effect	(\$11,500)	(\$200)	(\$11,900)	(\$200)	(\$12,400)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

State Revenues: There are 1,528 individuals licensed as a salesperson by the Department of Labor, Licensing, and Regulation (DLLR) in accordance with the State's home improvement laws. This figure includes telephone solicitors, door-to-door or in-store canvassers, and contractor representatives. Since the bill will exclude these individuals from the licensing requirements, it is estimated that the number of salesperson licensees will decrease by 10%.

A home improvement license is issued for a two-year term and may be renewed by paying a \$75 renewal fee prior to June 30 in an odd-numbered year. This bill will reduce the number of licenses which are renewed and the renewal fees collected. As a result, general fund revenues will decrease by \$11,475 in fiscal 1997. Future year revenue projections reflect the biennial nature of the licensing process and 2% annual growth.

In addition, general fund revenue may increase by an indeterminate amount due to the bill's monetary penalty provision, depending on the number of violations and fines imposed.

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

Fiscal Note History: First Reader - February 27, 1996

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