

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 522 (Delegate Hammen)
Environmental Matters

Residential Service Agencies - Branch Licensure Fee - Prohibition

This bill prohibits the Department of Health and Mental Hygiene from charging a “branch” of a licensed residential service agency a separate license fee.

Fiscal Summary

State Effect: None. (As described below.)

Local Effect: None.

Fiscal Analysis

State Effect: There are approximately 250 licensed residential service agencies currently operating in the State. Each of those agencies pays a \$500 annual license fee. By statute, that fee is a cost recovery fee paid into the general fund to pay the applicable administrative costs of the Department of Health and Mental Hygiene (DHMH). It costs approximately \$125,000 to administer this licensing program.

This bill does not define the term “branch”. DHMH advises that it does not know what facilities would be covered by the term and assumes that a definition would have to be determined by regulation. Since the total number of residential service operations of current licensees are expected to remain the same, DHMH’s administrative costs would also remain unchanged. Accordingly, each subject residential service agency, less those operations determined to meet the regulatory definition of “branch”, would be subject to a recalculated fee. The recalculation would establish the fee for residential service agencies at a revenue neutral level that would recover the continuing \$125,000 in annual administrative costs.

Information Source(s): Department of Health and Mental Hygiene (Licensing and

Certification), Department of Fiscal Services

Fiscal Note History: First Reader - February 6, 1996

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