

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1373 (Delegate Conroy, et al.)
Environmental Matters

Life Safety Protection Act

This bill requires an individual to obtain a license from the Office of the State Fire Marshal to provide services as a fire sprinkler contractor in Maryland. The State Fire Prevention Commission must establish licensing qualifications and fees. In addition, the commission must adopt regulations before January 1, 1997 to provide for the examination of applicants, procedures for the renewal of licenses, and requirements for liability insurance.

The Office of the State Fire Marshall must examine all applicants, process licenses, receive and investigate complaints, maintain a list of licensed fire sprinkler contractors, and submit an annual report to the Secretary of Public Safety and Correctional Services detailing the number of licensed fire sprinkler contractors.

The license of a fire sprinkler contractor will be issued for a two-year term and any fees collected will be deposited into the general fund.

Fiscal Summary

State Effect: General fund revenues would increase by about \$13,000 in FY 1997; future year revenues reflect the biennial licensing schedule, renewal fees, growth, and turnover. General fund expenditures would increase by about \$12,500 in FY 1997; future year expenditures reflect the renewal activity in FY 1999 and 2001.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$13,000	\$1,500	\$6,600	\$1,600	\$6,750
GF Expenditures	12,500	0	3,000	0	3,000
Net Effect	\$500	\$1,500	\$3,600	\$1,600	\$3,750

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

Local Effect: None.

Fiscal Analysis

State Revenues: It is estimated that there are about 130 fire sprinkler contractors in the State. If the State Fire Prevention Commission establishes a licensing fee of \$100, general fund revenue would increase by about \$13,000 in fiscal 1997. The bill provides that licenses are to be issued for a two-year term. General fund revenue estimates in the out-years are based on 2% growth, 10% turnover, and reflect the assumption that the commission will establish a license renewal fee of \$50.

State Expenditures: It is assumed that the State Fire Prevention Commission would need an additional \$5,000 in fiscal 1997 for contractual services to adopt regulations concerning the examination of applicants, qualifications for licensure, procedures for the renewal of licenses, and requirements for liability insurance. This is a one-time expense which will not occur in future years.

In addition, the Office of the State Fire Marshall would require about \$7,500 in fiscal 1997 to examine applicants, process licenses, receive and investigate complaints, maintain a list of licensed fire sprinkler contractors, and develop a report for the Secretary of Public Safety and Correctional Services. This expense reflects overtime costs and additional communication expenses. Since licenses are issued for a two-year term, activity in fiscal 1998 and 2000 would be minimal and could be absorbed within existing resources. In fiscal 1999 and 2001, expenditures would increase by about \$3,000 to handle the renewal activity.

Additional Comments: Based on information published by the American Fire Sprinkler Association, 33 states, including Delaware, North Carolina, West Virginia, and Virginia, currently license fire sprinkler contractors.

Information Source(s): Office of the Fire Marshall, American Fire Sprinkler Association, Department of Fiscal Services

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