

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 205 (Chairman, Environmental Matters Committee)
(Departmental - Agriculture)

Environmental Matters Referred to Economic and Environmental Affairs

Department of Agriculture - Weights and Measures - Fees

This amended departmental bill repeals the weights and measures service fees currently in statute and allows the Secretary of the Maryland Department of Agriculture (MDA) to establish these fees through regulation. The secretary may only charge a fee to cover the cost of providing the services. MDA must report to the House Environmental Matters Committee by January 1, 1999 on the fee changes.

Fiscal Summary

State Effect: Special fund revenues could increase by approximately \$14,400 to \$20,000 per year due to an increase in fees. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: The Department of Agriculture has determined that this bill has minimal or no impact on small business (attached). Fiscal Services disagrees with this assessment as discussed below.

Fiscal Analysis

Background: The department's Weights and Measures Section operates one of five participating laboratories in the National Type Evaluation Program (NTEP). This is a voluntary program that determines the conformance of weighing and measuring devices used in trade or commercial applications, and is run by the National Institute of Standards and Technology (NIST) in cooperation with the National Conference on Weights and Measures, the states, and the private sector. The NTEP program is a nationwide program administered by NIST, and the Maryland laboratory receives referrals for testing services for companies located all over the country.

State Effect: This bill allows MDA to establish fees through regulation for a number of testing services. Three of these services are associated almost exclusively with the NTEP program: (1) technical services and evaluations; (2) environmental chamber services; and (3) endurance testing. Other tests affected by this bill, such as the farm milk tank test, are most often directly requested by businesses.

MDA advises that it will use the authority of this legislation to change the fees for technical services and evaluations under the NTEP program to \$75 per hour. In the past three fiscal years, the number of hours billed annually to this program has varied significantly, ranging from 332 to 707 hours. Taking an average of these figures yields 481 hours per year. Assuming a \$30 per hour fee increase (from \$45 to \$75), annual special fund revenues would increase approximately \$14,430.

In addition, MDA could potentially raise fees on the other tests conducted. While the department has not indicated that it plans to do so, it would be part of MDA's regulatory authority. Should other testing fees increase, then special fund revenues from these fees would increase. The magnitude of any such increase depends on how many of the fees would be raised, the amount of each fee increase, and how many such tests are conducted annually. **The Department of Fiscal Services (DFS) advises that MDA has reduced general funds to this program by \$20,000 in the fiscal 1997 budget allowance and assumed an additional \$20,000 in special fund revenues. However, this is not contingent on the passage of this legislation. If the increase in fee revenues resulting from the bill are part of MDA's \$20,000 reallocation, this bill would have no fiscal impact.** In any case, MDA is anticipating special fund increases in the program beyond the \$14,430 discussed above; either through raising fees on other tests or through revenues not associated with this bill.

Small Business Effect: Small businesses in Maryland that use the weights and measures services offered by MDA could pay more in fees for these services.

Information Source(s): Maryland Department of Agriculture, Department of Fiscal Services

Fiscal Note History: First Reader - February 7, 1996

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