

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 91 (Chairman, Finance Committee)  
(Departmental - Health and Mental Hygiene)

Finance

---

Laboratories - Tissue Banks

---

This departmental bill provides that a tissue bank accredited by an organization approved by the Secretary of Health and Mental Hygiene is deemed to meet the State's standards if the Secretary determines the standards of the accrediting organization are equivalent to the State's standards. The Secretary is authorized to inspect a tissue bank accredited by an approved organization for complaint investigation or to validate the accrediting organization's findings. The bill also clarifies the authority of the department to regulate and license tissue banks located in another state.

---

Fiscal Summary

**State Effect:** General fund revenues would increase by at least \$400 beginning in FY 1998, due to licensure and fine revenues, assuming that the Department of Health and Mental Hygiene (DHMH) continues to require annual license renewal. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** The Department of Health and Mental Hygiene has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment.

---

Fiscal Analysis

**State Revenues:** General fund revenues would increase by \$375 in fiscal 1998 as a result of three out-of-state tissue banks that would need to apply for licensure under the bill's requirements. The licensure fee consists of two parts: a \$25 application fee and a \$100 operations fee. Both are paid at the time of initial licensure and each time the license is renewed. Future year revenues would also be \$375, assuming that DHMH continues to

require annual renewal. The bill repeals the stipulation that a license expires after one year and authorizes DHMH to establish the expiration date. The Department of Fiscal Services advises that revenues from currently licensed tissue banks could be affected if DHMH requires that licenses be renewed other than annually.

General fund revenues could also increase: (1) under the bill's monetary penalty provision for those cases heard in the District Court, depending upon the number of convictions and fines imposed; and (2) by a minimal amount as a result of the bill's requirement that out-of-state tissue bank directors be licensed as a physician in Maryland.

**State Expenditures:** None. Any additional workload resulting from licensure of a small number of out-of-state tissue banks could be handled with existing budgeted resources. Although the bill's "deeming" provision could potentially reduce the number of inspections that the State conducts, the Department of Health and Mental Hygiene advises that expenditures are unlikely to decrease because: (1) tissue banks are sufficiently complicated technically that it plans to continue to conduct initial inspections regardless of a tissue bank's deeming status; and (2) the bill authorizes DHMH to inspect tissue banks accredited by an approved organization for the purpose of complaint investigations or to validate findings of the accrediting organization.

---

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

**Fiscal Note History:** First Reader - January 21, 1997

ncs

---

Analysis by: Sue Friedlander

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710