

**Department of Fiscal Services**  
 Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 294 (Delegates McClenahan and Donoghue)  
 Economic Matters Referred to Judicial Proceedings

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**Business Occupations - Private Detectives**

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The amended bill changes the term of a private detective license from one year to two years, and requires the Secretary of the Department of State Police to stagger the terms of the licenses by regulation. The bill adjusts the related fees to correspond with the altered license terms. The \$200 annual fee for private detective agencies would change to a \$400 biennial fee. Individual private detective licenses would change from a \$100 annual fee to a \$200 biennial fee. The bill also expands the definition of “provide private detective services” to include nonuniformed personal protection.

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**Fiscal Summary**

**State Effect:** General fund revenue increase of \$96,000 in FY 1998. Out-year variances reflect the change to a two-year renewal cycle, 7% industry growth, and a 90% renewal rate. General fund expenditures would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$96,000	(\$89,200)	\$103,600	(\$89,000)	\$111,200
GF Expenditures	0	0	0	0	0
Net Effect	\$96,000	(\$89,200)	\$103,600	(\$89,000)	\$111,200

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

**Local Effect:** None.

**Small Business Effect:** Minimal effect on private detective agencies as discussed below.

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## Fiscal Analysis

**State Revenues:** The bill would alter the license application and renewal process for the 480 private detective agencies operating in the State from a one-year to a two-year cycle. Under current law, licenses expire on April 30 each year. License fees would be adjusted to reflect the altered license term, changing from a \$200 annual fee to a \$400 biennial fee for private detective agencies. Individual private detective licenses would change from a \$100 annual fee to a \$200 biennial fee. Although individual licenses are available, according to State Police virtually all licensees are firms, not individuals.

In 1998, the first two-year renewal cycle, approximately \$192,000 in revenue would be collected from 480 private detective agencies creating a gain of \$96,000 in revenue. In 1999, the first nonrenewal year, approximately \$89,200 in revenue would be lost. The out-years reflect the continuation of the biennial licensing term, 7% industry growth, and a 90% renewal rate.

Although the definition of a private detective is expanded by this bill to include nonuniformed personal protection, according to the State Police there will be no additional licensees as a result of this legislation because the bill codifies existing practice within the industry.

**Small Business Effect:** The majority of the 480 private detective agencies in the State are small businesses. Altering the State licensing cycle from a one-year to a two-year term would have a minimal positive impact on private detective agencies, to the extent that administrative costs are reduced.

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**Information Source(s):** Department of State Police; Department of Fiscal Services

**Fiscal Note History:** First Reader - January 28, 1997  
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