

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE
Revised

House Bill 297 (Delegates McClenahan and Donoghue)

Economic Matters

Referred to Judicial Proceedings

Business Occupations - Security Guard Agencies

This amended bill changes the term of a security guard 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 also adjusts the related fees to correspond with the altered license terms. The \$200 annual fee for security guard agencies would change to a \$400 biennial fee. Individual security guard licenses would change from a \$100 annual fee to a \$200 biennial fee.

Fiscal Summary

State Effect: General fund revenue increase of \$60,000 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	\$60,000	(\$55,800)	\$64,400	(\$55,400)	\$68,800
GF Expenditures	0	0	0	0	0
Net Effect	\$60,000	(\$55,800)	\$64,400	(\$55,400)	\$68,800

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

Local Effect: None.

Small Business Effect: Minimal effect on security guard agencies as discussed below.

Fiscal Analysis

State Revenues: The bill alters the license application and renewal process from a one-year cycle 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 the 300 security guard agencies operating in the State. Individual security guard licenses would change from a \$100 annual fee to a \$200 biennial fee. Although individual licenses are available, according to the State Police virtually all licensees are agencies not individuals.

In 1998, the first two-year renewal cycle, approximately \$120,000 in revenue would be collected creating a gain of \$60,000 in revenue. In 1999, the first nonrenewal year, \$55,800 in revenue would be lost. The out-years reflect the continuation of the biennial licensing term, 7% industry growth, and a 90% renewal rate.

Small Business Effect: The majority of the 300 security guard 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 security guard agencies, to the extent that administrative requirements are reduced.

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

Fiscal Note History: First Reader - January 28, 1997
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Analysis by: Shelley Finlayson
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710