

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 679 (Senator Hughes)
Judicial Proceedings

State Police - Robbery Prevention Program and Fund

This bill establishes the Robbery Prevention Program and Robbery Prevention Fund within the Department of State Police. The State Police is required to identify 200 commercial establishments where four or more robberies occurred during the current or previous year. The State Police must conduct a lottery to select 100 establishments for actual participation in the program. Based on recommendations from the State Police, these 100 establishments must implement specified security measures within 30 days. An establishment that fails to fully implement the recommendations is subject to a maximum civil fine of \$5,000.

The bill establishes the Robbery Prevention Fund to provide funding for a grants program for robbery prevention by providing commercial establishments with funds to increase security and improve employee safety. All civil fine revenue relating to the program must be deposited in the special fund. The fund shall consist of any public or private money given to the fund. The State Police is required to adopt implementary regulations and to provide a specified report to the General Assembly by December 31 of each year.

Fiscal Summary

State Effect: General fund expenditures would increase by \$136,200 in FY 1998. Special fund revenues and expenditures could increase by an indeterminate amount as discussed below.

Local Effect: None.

Small Business Effect: Potential meaningful effect on small businesses as discussed below.

Fiscal Analysis

State Revenues: Special fund (Robbery Prevention Fund) revenues would increase

depending on the frequency and amount of civil fines imposed, and the extent to which the fund receives any public or private donations. Any such increase cannot be qualified at this time.

State Expenditures: Special fund grant expenditures could increase depending on the amount of grant allocations. Given the nature of the recommendations that may have to be implemented by participating businesses, the increase could be substantial.

General fund expenditures could increase by an estimated \$136,227 in fiscal 1998, which accounts for the bill's October 1, 1997 effective date. This estimate reflects the cost of the State Police hiring one Corporal and one civilian Office Secretary to provide the ongoing operations of the Robbery Prevention Program. It includes salaries, fringe benefits, overtime costs, one-time start-up costs including the purchase of a new police vehicle, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- ° the Robbery Prevention Program is estimated to involve 2,063 uniform trooper hours (average annual hours for a uniform member is 1,780); and
- ° establishments in Baltimore City will be excluded from the program since the jurisdiction of the State Police does not extend to the city without specific request or order of the Governor.

Salaries and Fringe Benefits	\$89,916
Police Overtime	10,054
Police Vehicle Purchase	20,000
Other Operating Expenses	<u>16,257</u>

Total FY 1998 State Expenditures \$136,227

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses. Out-year costs, after one-time expenditures in fiscal 1998, would be as follows: \$106,756 for fiscal 1999; \$111,572 for fiscal 2000; \$137,128 for fiscal 2001 (including new vehicle costs); and \$121,902 for fiscal 2002.

Small Business Effect: This bill could have a meaningful impact on any small business chosen to participate in the Robbery Prevention Program for the following reasons: (1) there is no limit (including cost) to the security measures that may be recommended by the State Police; (2) making security improvements within 30 days after recommendations from the State Police may be a hardship for many small businesses; (3) it is not clear if grants from the Robbery Prevention Fund would be made available prior to an establishment being made subject to the civil fine; and (4) for a small business, a civil fine of \$5,000 could have a significant impact.

The bill establishes the Robbery Prevention Fund to make grants to help establishments make the recommended security improvements. However, the revenue from civil fines is the only specifically identified source of money for the fund. It is unclear, therefore, if the costs to businesses from the civil fines would exceed the grants from the fund.

In any event, to the extent that small businesses are chosen to participate in the program, and the program is successful in deterring future robberies, those small businesses could benefit.

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

Fiscal Note History: First Reader - March 5, 1997
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