

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 204 (Chairman, Economic Matters Committee)  
(Departmental - Labor, Licensing and Regulation)

Economic Matters

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**Department of Labor, Licensing, and Regulation - Occupational and Professional  
Licensing Boards - Examinations and Fees**

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This departmental bill: (1) authorizes specified boards and commissions under the Department of Labor, Licensing, and Regulation (DLLR) to retain testing service agencies to administer licensing examinations; (2) authorizes testing service agencies to collect examination fees directly from the applicants; (3) replaces the term “application” fee with “examination” fee; (4) permits the Real Estate Commission and the Home Improvement Commission to collect the cost of a credit report from applicants for a real estate broker license and a home improvement contractor license; and (5) permits the Real Estate Commission and the Home Improvement Commission to require a credit report for the renewal of a real estate broker license and home improvement contractor license.

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**Fiscal Summary**

**State Effect:** None. The bill would not affect State finances because: (1) it codifies DLLR’s current practice of retaining testing service agencies to administer licensing exams; and (2) money collected for credit reports would pass directly through to the credit reporting agency.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

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**Fiscal Analysis**

**Background:** This departmental bill responds to the Joint Committee on Administrative, Executive, and Legislative Review's concern with new fee regulations promulgated by the State Board of Architects after it accepted new bids for its testing contract.

**State Effect:** Authorizing DLLR boards and commissions to outsource license examinations to testing service agencies and permitting license applicants to pay testing service agencies directly would not affect State finances because it codifies existing practice. Currently, DLLR boards and commissions set their fees based on testing contracts determined by the low bid process. Generally, fees are paid directly to the testing service agency and are not budgeted by the State. The only exception is that the testing service agency used by the Real Estate Commission remits \$10 to the State. However, this \$10 remittance is unaffected by this bill.

Permitting the Real Estate Commission and the Home Improvement Commission to collect the cost of a credit report from license applicants would not affect State finances. The revenue collected for the credit reports would pass directly through to the credit reporting agency.

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**Information Sources:** Department of Labor, Licensing, and Regulation; Office of Administrative Hearings

**Fiscal Note History:** First Reader - February 2, 1998  
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