

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1315 (Delegate Busch)

Economic Matters

Business Occupations and Professions - State Board of Stationary Engineers

This bill establishes a State Board of Stationary Engineers in the Department of Labor, Licensing, and Regulation, and abolishes the Board of Examining Engineers in Baltimore City. Members of the Board of Examining Engineers in Baltimore City immediately prior to the effective date of this bill would serve on the State Board of Stationary Engineers until their terms expire.

The bill: (1) specifies the qualifications necessary to obtain a first, second, third, or fourth class stationary engineer's license; (2) establishes the Stationary Engineers Fund; (3) authorizes the board to deny, suspend, or revoke a license under specified circumstances; (4) authorizes the board to promulgate specified regulations; and (5) provides that a person who is in complete control of a steam or pressure boiler exceeding 25 horsepower without a license is guilty of a misdemeanor and subject to a fine not exceeding \$100 and/or imprisonment not exceeding six months.

The bill is effective June 1, 1998, and sunsets on July 1, 2009.

Fiscal Summary

State Effect: Special fund revenues could increase between \$7,500 and \$15,000 in FY 1999, and between \$15,000 and \$30,000 biennially thereafter. Special fund expenditures could increase by \$25,000 in FY 1999, by \$10,000 in FY 2000, and by \$1,000 annually thereafter.

Local Effect: None. The Board of Examining Engineers in Baltimore City is funded by the State.

Small Business Effect: To the extent that additional stationary engineers are subject to licensing requirements as a result of this bill, small businesses could be minimally affected.

Fiscal Analysis

State Expenditures: This bill replaces the Board of Stationary Engineers in Baltimore City with a State Board of Stationary Engineers. The existing board and the new board are both specially funded. It is expected that existing personnel would continue to operate the new board. It is expected that special fund expenditures would increase by \$25,000 in fiscal 1999 to cover the costs associated with notifying existing and prospective licensees of the change and to cover a one-time computer programming cost. Special fund expenditures could increase by \$10,000 in fiscal 2000, and \$1,000 annually thereafter. These expenditures reflect printing and postage costs.

State Revenues: Replacing the Baltimore City board with a State board would not significantly affect the number of licensees because most stationary engineers in the State already seek licensure from the Baltimore City board, regardless of where they practice. For insurance purposes, most employers currently require their employees to obtain a license from the Baltimore City board. The Baltimore City board currently regulates approximately 5,500 stationary engineers, 1,000 of whom practice in Baltimore and 4,500 of whom practice outside of Baltimore.

However, due to the establishment of a fourth-grade (low pressure boiler) license, it is estimated that between 500 and 1,000 new licensees will register with the State Board of Stationary Engineers as a result of the bill. The current fee for an initial license is \$15, and the current fee for renewal is \$30. The licensing period is two years. The bill provides that the State Board of Stationary Engineers would have the authority to set fees to cover the direct and indirect costs of administering the program. If the State Board of Stationary Engineers sets fees at the existing rates under the Board of Stationary Engineers in Baltimore City, special fund revenues would increase between \$7,500 and \$15,000 for new licensees in fiscal 1999, and between \$15,000 and \$30,000 for renewals biennially thereafter.

It is expected that fewer than 10 additional cases would be heard by the Office of Administrative Hearings. As a result, any additional workload to the Office of Administrative Hearings could be handled with existing budgeted resources.

The civil and criminal penalty provisions of this bill are not expected to significantly affect State operations or finances.

Information Source: Baltimore City; Department of Labor, Licensing, and Regulation; Office of Administrative Hearings

Fiscal Note History: First Reader - March 17, 1998

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Analysis by: Jo Ellan Jordan

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710