

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 277 (Delegate Hutchins. *et al.*)

Judiciary

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**Bounty Hunters - Licensing and Certification**

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This bill provides for the licensure and certification of bounty hunters as private detectives under current law provisions regulating firms and individuals who provide private detective services. Bounty hunters are not subject to licensure or certification provisions until July 1, 1999.

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**Fiscal Summary**

**State Effect:** General fund revenues could increase by \$8,250 in FY 2000. Any costs associated with administering this program could be handled with the existing budgeted resources of the Department of State Police.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$8,250	\$2,000	\$2,000	\$2,000
GF Expenditures	0	0	0	0	0
Net Effect	\$0	\$8,250	\$2,000	\$2,000	\$2,000

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect on small businesses.

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**Fiscal Analysis**

**State Revenues:** Current law provisions require individuals and firms seeking to do business as private detectives to obtain licenses and certification from the State Police. Applicable licensure and certification processes have specific qualifications and other requirements which must be met, including surety bonds in specified amounts.

Private detective license and certification fees are deposited with the general fund. The application fee cost for a private detective license for a firm is \$375, and the annual license renewal fee is \$200. The private detective certification fee for an employee of such a firm is \$50.

The State Police estimate that this bill would result in 10 firms initially getting licenses as private detective businesses. It is also estimated that 50 employees of those firms would need private detective certification. Since the bill does not require licensure or certification until July 1, 1999, it is assumed that bounty hunter businesses will not seek licensure until that time. In addition, the annual renewal date for private detective licenses is April 30, so that all new applicants for private detective licenses as of July 1, 1999 would also have to pay license renewal fees by April 30, 2000.

Accordingly, general fund revenues would increase by \$8,250 in fiscal 2000, as follows:

10 new firms @ \$375 application fee	\$3,750
& @ \$200 renewal fee	2,000
50 employees @ \$50 certification fee	<u>2,500</u>
<b>TOTAL</b>	<b>\$8,250</b>

In the out-years, it is assumed that all these businesses will seek to renew their licenses for a total annual revenue increase of \$2,000. The certification of employees of private detective firms is not subject to annual renewal and, while there may be some changes in this workforce, the number of employees in this workforce is expected to remain relatively constant. It is difficult to reliably predict when, if ever, additional new firms would seek private detective licenses and certifications in order to operate bounty hunter businesses in Maryland.

The total maximum cost of criminal history record checks and fingerprinting is \$52, which includes State and federal background checks. This cost would be borne by the additional applicants for licensure and certification as private detectives. Assuming that fewer than 10,000 applicants would apply for certification and clearance, State expenditures would not be affected.

**Small Business Effect:** The Department of State Police estimates that this bill would lead to 10 existing bounty hunter businesses getting proper licensure and certification. It is assumed that any such businesses would tend to fall within the definition of small businesses. The State Police believe that this bill would have minimal or no economic impact on Maryland small businesses.

However, this bill could also cause any bounty hunter businesses that cannot comply with the qualifications currently applicable to private detective businesses to go elsewhere or close. For instance, it is likely that the employees of some businesses currently operating would not be able to pass criminal record check scrutiny or have the appropriate background and experience required under the statute.

In addition, while the bill specifically does not include bail bondsmen, surety insurers, or sureties who execute bail bonds under the definition of bounty hunter, the extent to which this exemption would still apply to an employee of a bail bondsman who seeks to apprehend a person in circumstances beyond the bail bond application is somewhat unclear. The bill suggests that a private detective license would be necessary for bail bondsmen in any circumstances beyond the actual application.

The extent to which, under this bill, existing private detective firms may choose to expand their business services to include bounty hunting cannot be reliably predicted, but is assumed to be minimal, if at all.

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

**Fiscal Note History:** First Reader - February 9, 1998

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