

Department of Legislative Services  
 Maryland General Assembly  
 1999 Session

FISCAL NOTE

House Bill 136 (Chairman. Economic Matters Committee)  
 (Departmental - Labor, Licensing, and Regulation)

Economic Matters

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**Business Occupations, Professions, and Regulation - Boards - Authority to Impose Civil Penalties**

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This departmental bill allows the Board of Public Accountancy, Board of Barbers, Board of Cosmetologists, and Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors to impose civil penalties not to exceed \$1,000 for violations of the laws and regulations applicable to these boards. To determine the amount of the penalty, the bill requires each board to consider the seriousness of the violation, the harm caused by the violation, the good faith of the licensee, and any history of previous violations by the licensee.

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**Fiscal Summary**

**State Effect:** General fund revenues could increase by \$3,800 and general fund expenditures could increase by \$3,600 in FY 2000. Out-year projections reflect annualization.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$3,800	\$6,300	\$6,300	\$6,300	\$6,300
GF Expenditures	\$3,600	\$6,000	\$6,000	\$6,000	\$6,000
Net Effect	\$200	\$300	\$300	\$300	\$300

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

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

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**Fiscal Analysis**

**State Effect:** The bill permits 4 regulatory boards within DLLR to impose a maximum fine

of \$1,000 on persons who violate the laws and regulations applicable to those boards. Moreover, the bill permits the boards to impose a fine on unlicensed persons. Under current law, the boards must refer cases involving unlicensed persons, who provide services or violate the laws and regulations, to the local State Attorney's Office for criminal prosecution.

The bill would likely increase the number of hearings held and fines collected by the boards. The increased revenues collected from fines would approximately offset any increased costs associated with holding additional hearings.

Based on experience, the boards are expected to hold 18 new hearings in fiscal 2000 and 30 new hearings annually thereafter adjusting for an October 1, 1999 effective date. Assuming that each hearing costs \$200 (i.e., court reporting, transcripts), general fund expenditures would increase by \$3,600 (18 x \$200) in fiscal 2000 and \$6,000 (30 x \$200) in the out-years.

As a result of the additional hearings, the boards are expected to assess approximately 15 more fines in fiscal 2000 and 25 more fines annually thereafter. Assuming that the boards impose an average fine of \$500 per violation and have a 50% collection rate, general fund revenues would increase by \$3,750 (15 x \$500 x .50) in fiscal 2000 and by \$6,250 (25 x \$500 x .50) in the out-years.

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**Information Source:** Department of Labor, Licensing, and Regulation

**Fiscal Note History:** First Reader - February 5, 1999  
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