

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 1126 (Delegate McIntosh. *et al.*)

Judiciary

Baltimore City - Homes - Inspection Fees

This bill establishes an inspection fee of up to \$75 for the Baltimore City health department to inspect foster homes. The fee is to cover an initial inspection and a follow-up inspection, if required. The bill takes effect June 1, 1999.

Fiscal Summary

State Effect: General fund expenditures decrease by \$70,100 in FY 2000. Future year savings would remain constant. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	(70,100)	(70,100)	(70,100)	(70,100)	(70,100)
Net Effect	\$70,100	\$70,100	\$70,100	\$70,100	\$70,100

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

Local Effect: Baltimore City revenues decrease by \$82,500 in FY 2000. Future year revenue loss would remain constant. Expenditures would not be affected.

Small Business Effect: Potential minimal.

Fiscal Analysis

Background: In fiscal 1998 the Baltimore City health department inspected 1,083 foster homes. The \$75 fee covered an initial inspection and one follow-up inspection, if required.

State Effect: State expenditures could decrease by an estimated \$70,125 in fiscal 2000. The Baltimore City department of social services pays the inspection fee to the Baltimore City

health department for foster parents who apply through a public agency. As of January 1, 1999, the health department increased the inspection fee from \$75 to \$150. Therefore, the State would save \$75 in fee expenditures per inspection under the bill's requirement, or an estimated \$70,125 on an annual basis. This estimate assumes (1) 1,100 annual inspections; and (2) 85% of foster home applicants apply through a public agency. Future year savings are assumed to remain constant.

Local Revenues: Baltimore City revenues would decrease by an estimated \$82,500 in fiscal 2000. As of January, 1999 the inspection fee was increased from \$75 to \$150. Therefore, the city would lose \$75 in fee revenues per inspection, or an estimated \$82,500 on an annual basis assuming 1,100 annual inspections. Future year revenue loss is assumed to remain constant.

Small Business: About 15% of prospective foster homes (100-150) apply through a licensed private child placement agency. The private agency pays the inspection fee. Thus, a small business private agency would save \$75 in fee expenditures per inspection. There are 35 licensed private child placement agencies in Maryland.

Information Source(s): Baltimore City, Department of Human Resources, Department of Health and Mental Hygiene (Community and Public Health Administration), Department of Legislative Services

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