

**Department of Legislative Services**  
 Maryland General Assembly  
 2000 Session

**FISCAL NOTE**

House Bill 1392 (Delegate Hill)

Economic Matters

---

**Maryland Elevator Mechanics Act**

---

This bill establishes a five-member State Board of Elevator Mechanics within the Department of Labor, Licensing, and Regulation (DLLR). In order to repair, install, and/or maintain an elevator, an individual must be licensed by the board. Any individual who provides or offers to provide elevator mechanical services without a license shall be subject to maximum penalties of a fine of \$100 and/or imprisonment for six months. The bill defines elevators as any machine used for hoisting or conveying individuals or materials, except for temporary arrangements at a construction site.

The bill also establishes an Elevator Mechanics Fund to be used to pay for the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the board.

The bill is effective June 1, 2001

---

**Fiscal Summary**

**State Effect:** Special fund expenditures could increase by \$303,600 in FY 2001, which reflects the October 1, 2000, effective date, one-time start-up costs, and ongoing operating expenses. Out-year expenditures reflect annualization and inflation. Revenues would increase by \$256,300 in FY 2001. Out-year revenue estimates reflect a two-year licensing period and a 2% growth.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	\$256,300	\$81,300	\$418,800	\$4,300	\$418,800
SF Expenditures	303,600	142,000	148,000	155,000	162,000
Net Effect	(\$47,300)	(\$60,700)	\$270,800	(\$150,700)	\$256,800

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

---

## **Analysis**

**Bill Summary:** This bill establishes licensing requirements that must be met to become an elevator mechanic. In order to become a licensed elevator mechanic, an individual must have 3,500 working hours as an apprentice in the previous two years, pass an exam given by the board, and pay an application fee to be set by the board. The bill also grants the board the authority to implement other licensing requirements as it sees fit. Individuals who have at least 5,250 working hours as an elevator mechanic and file an application with the appropriate fee by December 31, 2001, may be exempted from any other licensing requirements.

An apprentice elevator mechanic must be 18 years old and have a high school degree (or its equivalent). An apprentice must work under the direct supervision of a licensed mechanic.

An elevator mechanic's license is valid for two years, as is an apprentice license. In order to renew a license, the applicant must demonstrate a continuing professional competency. Furthermore, an elevator mechanic must also have \$1 million in general liability insurance and \$300,000 in property damage insurance.

The board may reject an application or take disciplinary action against a license holder if the applicant or licensee: (1) fraudulently or deceptively obtains or attempts to obtain a license; (2) transfers the authority granted by the license to another person; (3) installs, repairs, or maintains an elevator or assists in the installation, repair, or maintenance of an elevator in a negligent or careless manner; (4) is a licensed apprentice and works without supervision from a licensed elevator mechanic; (5) willfully or deliberately violates building or electrical codes or construction laws of the State or any local jurisdiction; (6) has pleaded guilty or nolo contendere to, or is convicted of, a felony or misdemeanor that relates to qualifications of the applicant; (7) violates the code of ethics; or (8) fails to comply with the provisions of this title.

Before deciding to reject an application or to take action against a licensee, the board will consider specified items.

Any elevator mechanic who fails to have the required insurance is subject to a fine of up to \$1,000 and/or imprisonment not to exceed six months.

**Current Law:** There are no specific regulations governing the elevator mechanics' profession.

**State Fiscal Effect:** General fund expenditures could increase by an estimated \$303,600 in fiscal 2001. This estimate includes contractual services to upgrade computer software and the cost of hiring a full-time administrator, an office secretary, a part-time assistant attorney general, and an investigator. The estimate includes fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$93,900
Computer Equipment	13,900
Contractual Services	185,000
Operating Expenses	<u>10,800</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$303,600</b>

Out-year expenditures reflect full salaries with 4.5% annual increases and 3% turnover. Operating expenses reflect a 1% annual increase.

It is estimated that approximately 1,250 elevator mechanics and 250 apprentices will be licensed in fiscal 2001. DLLR advises that the elevator mechanic licensing fee will be \$325 and the apprentice fee will be \$50. Accordingly, special fund revenues will increase by \$256,300 in fiscal 2001. The examination fees would be passed through to the examination service. Out-year revenues reflect the biennial renewal cycle and industry growth.

**Small Business Effect:** To the extent that elevator mechanics are small businesses they will now incur the added expenses of qualifying and obtaining a license as well as any requirements they must meet to show a continuing competency.

The insurance requirements will be an extra expense for small businesses as well.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2000  
cm/jr

---

Analysis by: Brian D. Baugus

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510