

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 829 (Delegate Billings)

Economic Matters

Real Property - Apartment Houses - Criminal History Records Checks on Employees

This bill requires an employee of an “apartment house” who has access to some or all of the dwelling units of the tenants of the apartment house to undergo a State and national criminal history records check.

Fiscal Summary

State Effect: General fund expenditure increase of \$28,200 in FY 2001. Future year expenditures reflect annualization and inflation. Future year expenditures may eventually require an additional \$154,000 in equipment costs. Revenues would not be affected.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	28,200	38,200	40,100	42,000	44,100
Net Effect	(\$28,200)	(\$38,200)	(\$40,100)	(\$42,000)	(\$44,100)

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

Local Effect: Minimal. The criminal penalty provisions of this bill are not expected to significantly affect local revenues or expenditures.

Small Business Effect: Meaningful. Since “employers” are required to pay the criminal records check fees, each employer would be subject to increased costs of \$52 for each new records check, and \$18 for each update, for every employee covered under the bill.

Analysis

Bill Summary: This bill requires an employee of an apartment house who has access to some or all of the dwelling units of the tenants of the apartment house to undergo a State and national criminal history records check conducted by the Department of Public Safety and Correctional Services (DPSCS). The bill details administrative requirements for DPSCS, including mailing timely receipts of applications and providing printed statements of records checks, as specified. The bill requires employers to pay for the costs of such records checks.

The bill requires such an employee to submit a disclosure statement revealing the existence of a criminal conviction to the DPSCS. Employees who fail to make such a disclosure are guilty of perjury and subject to a maximum imprisonment penalty of ten years. In addition, employers or employees who violate the provisions of this bill are subject to a maximum fine of \$500. An employee may, as specified, contest the reported finding of a criminal conviction.

The bill requires DPSCS to update initial criminal history records checks and issue revised statements. The bill extends certain civil and criminal liability immunities to employers and State agencies.

Current Law: None applicable.

State Fiscal Effect: There are an estimated 620,000 families living in rental units as defined by the bill in Maryland. Assuming that there are 1.5 employees for each 40-unit block, this bill would require criminal history records checks for approximately 23,250 persons.

The total maximum cost of criminal history records checks and fingerprinting is \$52, which includes State and national background checks. The bill requires this cost to be borne by employers. Maryland's Criminal Justice Information System (CJIS) Central Repository is authorized by law to collect the \$18 fee established for Maryland Criminal History Records Checks. An additional \$10 fee is charged for fingerprint cards. Primary direct costs are contractual staff, postage, facilities, and computer system support costs. When the number of additional records checks applications is small, the records check fee represents cost recovery and is revenue/cost neutral. The Federal Bureau of Investigation (FBI) charges a fee of \$24 for a national criminal history records check. The CJIS Central Repository must collect the fee from the applicant, or other payer, and reimburse the FBI through that agency's monthly billing.

Since the bill requires the cost of these records checks to be borne by employers, State costs for these records checks would be covered by the current cost recovery charges for the records checks. However, because this bill would result in the generation of more than 10,000 additional applications, and requires updating at unspecified periodic intervals to be

set by DPSCS regulation, this bill would also result in the need for one additional supervisory staff person at CJIS. Accordingly, general fund expenditures could increase by an estimated \$28,180 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring one additional CJIS supervisor to oversee more than 23,000 State criminal background records checks anticipated under the bill. This amount includes salaries and fringe benefits for this supervisory position. Future year expenditures reflect a full-time salary with 4.5% annual increases and 3% employee turnover.

The Information Technology and Communications Division also notes that the size of the population potentially being fingerprinted (23,250) may also require the division to eventually purchase one additional fingerprint matcher workstation at a cost of approximately \$154,000. The equipment expansion is only required for every 50,000 fingerprints stored.

If the Secretary of DPSCS chooses to have a designee hear an appeal of a report finding, that hearing would have to be conducted by the Office of Administrative Hearings. Assuming a reasonably low number of challenges to the findings of the records checks, any additional hearings arising under this bill could be handled with the existing budgeted resources of DPSCS and/or the Office of Administrative Hearings. The criminal penalty provisions of this bill are not expected to significantly affect State finances or operations.

Additional Comments: The Department of Legislative Services notes that national criminal history records checks will not be updated by the FBI.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Public Safety and Correctional Services (Information Technology and Communication Division), Office of Administrative Hearings, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2000

cm/jr

Analysis by: Guy G. Cherry

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