

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE  
 Revised

Senate Bill 699 (Senators Collins and Haines)

Economic and Environmental Affairs

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**Business Occupations - Plumbers - Natural Gas Fitters License**

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The bill establishes three new professional designations under the State Board of Plumbers: “master natural gas fitter,” “journeyman natural gas fitter,” and “apprentice natural gas fitter.” The bill requires that anyone who provides or offers to provide natural gas services be licensed by the board as a plumber or a natural gas fitter. The bill establishes licensing, educational, and professional standards for those who wish to work “providing natural gas services.”

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**Fiscal Summary**

**State Effect:** General fund revenues would increase by \$40,000 in FY 2001. Out-year revenues reflect industry growth and a two-year licensing cycle. General fund expenditures would increase by \$201,300. Out-year expenditures reflect the costs of ongoing operations.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$40,000	\$200	\$19,500	\$200	\$19,500
GF Expenditures	201,300	34,000	35,500	37,000	38,600
Net Effect	(\$161,300)	(\$33,800)	(\$16,000)	(\$36,800)	(\$19,100)

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary:** To provide natural gas services a person must be licensed either as a master or as a journeyman natural gas fitter. The bill defines natural gas services as any work installing, repairing, and/or servicing natural gas equipment and associated accessories.

In order to be a master natural gas fitter, a person must hold a gas fitters license from a county or municipality, pass a written exam, or complete a natural gas certification program. Upon licensing, a master may provide all natural gas services. A journeyman may only provide natural gas services when under the supervision of a master. A master must prominently display the license in the master's principal place of business and the license number must be on each business vehicle.

A master must carry \$300,000 of bodily insurance and \$100,000 of property insurance. The bill establishes a two-year licensing cycle; an initial masters license costs \$70 and an initial journeyman's license costs \$35. Renewal fees are \$35 and \$15, respectively, and exam fees will be set by the exam service administering the test.

**Current Law:** The Attorney General recently ruled that the Baltimore County Plumbing Board and the Washington Suburban Sanitary Commission are the only local regulatory authorities over natural gas fitters. Accordingly, only a State-licensed plumber may provide natural gas services outside of these jurisdictions.

**Background:** There are three separate boards that have regulatory jurisdiction in Maryland over natural gas fitters. The State Plumbing Board regulates 19 counties and Baltimore City, the Washington Suburban Sanitary Commission regulates Montgomery and Prince George's counties. These three regulatory bodies have developed different rules regarding gas fitters.

**State Fiscal Effect:** It is estimated that 500 master, 100 journeyman gas fitters, and 100 apprentices will be licensed in fiscal 2001. The master licensing fee is \$70, the journeyman fee is \$35, and the apprentice fee is \$15, resulting in a general fund revenue increase of \$40,000 in fiscal 2001. Out-year revenues reflect industry growth, renewal fees, and a biennial licensing cycle.

General fund expenditures could increase by an estimated \$201,300 in fiscal 2001, of which \$175,000 is in one-time computer upgrade costs. This estimate accounts for the bill's October 1, 2000 effective date, and reflects the cost of hiring a secretary to process applications and renewal requests. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses

Salary and Fringe Benefits

\$21,300

Contractual computer work	175,000
Operating Expenses	<u>5,000</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$201,300</b>

Future year expenditures reflect (1) a full salary with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

**Small Business Effect:** Costs will increase as natural gas professionals will have to comply with the bill by taking the exam and getting licensed. The exam fee is estimated to cost about \$50, which translates into a one-time cost of \$120 for a master, \$95 for a journeyman, and about \$75 for an apprentice. All will then pay a biennial licensing renewal fee.

Costs for a master may increase as a result of the insurance requirements of this bill as well.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Office of Administrative Hearings, Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2000  
mld/jr Revised - Corrected - March 23, 2000  
Revised - Enrolled Bill - May 5, 2000

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