

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Senate Bill 691

(Senator Sfikas)

Economic and Environmental Affairs

Environmental Matters

Family Law - Unregistered Family Day Care Provider - Civil Penalties

This bill authorizes the Child Care Administration to issue civil citations that impose civil penalties on unregistered family day care providers, changes the related fines for such penalties, and provides for appeal procedures.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to the bill's penalty fee provisions. Otherwise, no effect on expenditures as the bill's requirements could be absorbed within existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill authorizes the Child Care Administration (CCA) to issue civil citations that impose civil penalties on unregistered family day care providers. Fines for such violations are as follows: (1) \$250 for the first violation; (2) \$500 for the second violation; and (3) \$1,000 for the third and subsequent violations. Any fines collected are to be deposited in the State general fund. Any person served with a citation may appeal to the Office of Administrative Hearings.

Current Law: A civil action for violation of family child care provider registration must be filed and prosecuted by the Maryland Attorney General’s Office. Civil penalties for such violations are capped at \$1,000 per violation.

Background: “Family day care” means the care given to a child under the age of 13 years or to any developmentally disabled person under 21 years of age, in place of parental care for less than 24 hours a day, in a residence other than the child’s residence, for which the day care provider is paid.

According to CCA, the current process of bringing a civil action to prosecute illegal childcare providers is very time consuming, and requires just as much effort as bringing a criminal action, but the criminal action imposes stronger penalties. Consequently, the imposition of civil penalties has not been used as an enforcement tool. For example, in fiscal 1999 there were 957 complaints of illegal childcare. In response, there were 14 criminal actions filed, but no civil actions. In fiscal 2000 there were 851 complaints of illegal childcare. In response, there were nine criminal actions filed, but no civil actions. The criminal actions are limited in number with most reported cases of illegal childcare receiving a “cease and desist” letter. Some of these cases result in a person moving into the legitimate and licensed childcare field, while others heed the warning and cease the illegal activity.

State Revenues: CCA expects that there could be an estimated 150 violation citations issued in fiscal 2002, which accounts for the bill’s October 1 effective date. Based on the following scheme, general fund revenues could increase by \$46,250 in fiscal 2002.

131 paid citations at \$250 each	\$32,750
11 paid citations at \$500 each	5,500
8 paid citations at \$1,000 each	<u>8,000</u>
Potential Total FY 2002 State Revenues	\$46,250

However, because it is difficult to predict the deterrent effect, if any, of establishing a citation based penalty fee, a precise estimate of the potential revenue increase cannot be made.

Special fund revenues will also increase to the extent that violators pay fees to become registered family day care providers. Any increase from this source, however, cannot be accurately quantified at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources (Child Care Administration); Office of Administrative Hearings; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader – March ;5, 2001
ncs/jr

Analysis by: Sandra Steele

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