

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

Senate Bill 652

(Senators Roesser and Astle)

Finance

Economic Matters

Controlled Dangerous Substance Testing for Job Applicants - Preliminary Screenings

This bill authorizes employers who test job applicants for controlled dangerous substances to use a “preliminary screening procedure” unless the employer has entered into a collective bargaining agreement that prohibits such testing. The bill also specifies handling procedures and exempts an employer from medical laboratory permit requirements.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$3,900 in FY 2002. Future years reflect annualization and inflation. General fund revenues could increase by \$5,000 in FY 2002. Out-years reflect a two-year registration cycle and assume a 2% annual growth rate in the number of registrants.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	\$5,000	\$100	\$5,100	\$200	\$5,200
GF Expenditure	3,900	1,900	1,900	2,000	2,000
Net Effect	\$1,100	(\$1,800)	\$3,200	(\$1,800)	\$3,200

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

Local Effect: Local expenditures for employee drug testing could decrease. Revenues would not be affected.

Small Business Effect: Potential meaningful effect on small businesses.

Analysis

Bill Summary: If the preliminary screening results in a positive test, an employer who requires job-related testing must have the specimen tested by a licensed or otherwise approved laboratory to confirm the positive test result. If an applicant voluntarily discloses that he or she takes a legally prescribed medication, the operator may disclose this information to the employer and the employer may hire the applicant pending confirmation of a positive test result by the medical laboratory and review by the employer's medical review officer. An employer who uses preliminary screening procedures must: (1) establish a program to train preliminary screening operators; (2) register with the Department of Health and Mental Hygiene (DHMH); and (3) have a "medical review officer" review results which test positive after laboratory confirmation. An employer may choose to have a licensed medical laboratory perform the preliminary screenings. DHMH is required to adopt regulations for the oversight of the preliminary screening procedures.

Current Law: An individual performing a job-related alcohol or controlled dangerous substance testing for an employer may not reveal information to the employer regarding: (1) the use of a nonprescription drug, excluding alcohol, that is not prohibited under the laws of the State; or (2) the use of a medically prescribed drug, unless the person being tested is unable to establish that the drug was medically prescribed under the laws of the State.

Background: All State employees in sensitive positions are subject to random drug testing.

State Revenues: The Department of Health and Mental Hygiene (DHMH) estimates that approximately 100 companies would perform preliminary screenings, and that each of these companies will be required to register with DHMH at an estimated fee of \$50 each. This would result in a general fund revenue increase of \$5,000 in fiscal 2002. Future year revenues reflect bi-annual collections of renewal fees and a 2% annual growth rate in the number of registrants.

State Expenditures: The State currently receives a volume discount as part of its laboratory contracts. Therefore, although the bill would permit the State to conduct preliminary screening procedures, the State is unlikely to change its current procedures given its volume discount advantage.

General fund expenditures could increase by an estimated \$3,926 in fiscal 2002, for regulatory costs. This estimate reflects one-time start-up costs, ongoing operating costs associated with regulating, registering, and inspecting companies that perform

preliminary screening, and the bill's October 1, 2001 effective date. It does not reflect any personnel costs, as DHMH can perform the bill's requirements with existing resources.

Local Expenditures: Local expenditures could decrease to the extent that preliminary screening procedures would be less expensive than laboratory testing and that local jurisdictions substitute preliminary screening procedures for laboratory tests. Any savings would be partially offset, however, by the cost of training operators to conduct preliminary screening procedures.

Small Business Effect: Small business expenditures could decrease to the extent that preliminary screening procedures would be less expensive than laboratory testing and that a small business substitutes preliminary screening procedures for laboratory tests. Any savings would be partially offset, however, by the cost of training operators to conduct preliminary screening procedures and having a medical review officer review positive test results.

Additional Information

Prior Introductions: A substantially similar bill was introduced during the 1998 session as SB 134 and received an unfavorable report from the Senate Finance Committee.

Cross File None.

Information Source(s): Department of Health and Mental Hygiene (Laboratories Administration), Department of Budget and Management, Department of Legislative Services

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