

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 384 (Chairman, Economic Matters Committee)
(Department of Legislative Services)

Economic Matters

Economic and Environmental Affairs

**Business Regulation and Occupations - Regulatory Boards - Sunset Extension
and Program Evaluation**

This departmental bill extends the sunset date for six regulatory boards within the Department of Labor, Licensing, and Regulation (DLLR) from July 1, 2003 to July 1, 2013. The affected boards are: the State Board of Architects; the State Board of Examiners of Landscape Architects; the State Board of Plumbers; the State Board of Professional Engineers; the State Board of Professional Land Surveyors; and the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors.

The bill also requires each board to undergo a sunset evaluation by July 1, 2012.

Fiscal Summary

State Effect: General fund revenues and expenditures for these boards would be maintained beyond FY 2003. The FY 2002 budget assumes a total of \$813,700 in general fund revenues for the six boards and includes a total of \$628,000 in general fund expenditures. Out-year revenues and expenditures are expected to remain relatively constant.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The termination date for each of these boards is July 1, 2003.

Background: These boards are subject to the Maryland Program Evaluation Act, also known as the “sunset law,” which provides a system of periodic legislative review of the regulatory, licensing, and other governmental activities of various units of State government.

This bill arises out of the sunset evaluations of each board performed by the Department of Legislative Services during the 2000 interim. A brief summary of the function of each board and the department’s recommendations follows:

State Board of Architects: This seven-member board is one of five “design boards” within DLLR. It is responsible for licensing architects, administering examinations, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. The Department of Legislative Services (DLS) recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) the scope of practice issue and any plans to formalize the Joint Chairs Committee with the other design boards; (2) plans and proposed legislation to implement changes in the board fees; and (3) plans and proposed legislation to equalize the treatment of firms and individuals with respect to reinstatement of licenses.

State Board of Examiners of Landscape Architects: This five-member board is one of the five “design boards” within DLLR and is responsible for licensing landscape architects, administering examinations, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. DLS recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) how staff and funding could enhance the board’s effectiveness; (2) how to make better use of the board’s penalty authority; (3) the board’s plans to bring its licensing fees in line with the other design boards; (4) plans to term limit board members; and (5) any plans to formalize the Joint Chairs Committee.

State Board of Plumbing: This nine-member board is responsible for licensing plumbers except in the areas where the Washington Suburban Sanitary Commission has jurisdiction (Montgomery and Prince George’s counties) and Baltimore County. The board is responsible for administering examinations, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. DLS recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) the effectiveness of the new complaint system and the board’s use of its fining authority; (2) the operational effect from the addition of licensing natural gas fitters; and (3) how the board will bring its costs in line with revenues.

State Board of Professional Engineers: This seven-member board is responsible for licensing those who wish to practice the profession of engineering. The board offers a single professional license, which covers all 13 specializations. The board is responsible for administering examinations, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. DLS recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) the procedures and policies for evaluating the credentials of an applicant with foreign education and/or experience; (2) a plan for exam administration; (3) resolution of the scope of practice issue; (4) tracking engineers with out-of-state discipline problems; (5) offering discipline specific licenses; and (6) the possible changes to board fees.

State Board of Professional Land Surveyors: This six-member board is responsible for licensing all professional surveyors in the State including land and property line surveyors. The board is responsible for administering the national examination, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. DLS recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) a plan for exam administration; (2) resolution of the scope of practice issue; (3) a plan to share staff with other boards; (4) a plan to train new board members; and (5) the possible changes to board fees.

State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors: This seven-member board is responsible for licensing all heating, ventilation, air-conditioning, and refrigeration contractors. The board is responsible for administering the licensing examinations, investigating consumer complaints, and enforcing professional standards and codes of conduct for the industry. DLS recommended that the board submit a follow-up report to the Legislative Policy Committee by October 1, 2001 addressing the following: (1) the proper process for restoring expired licenses; (2) the board's efforts to enter into cooperative enforcement agreements with more counties; and (3) more closely matching its expenditures to revenues.

State Fiscal Effect: General fund revenues and expenditures for each board would be maintained beyond fiscal 2003. The table below presents the revenues and expenditures for each board in fiscal 2001 as well as the fiscal 2002 revenue assumptions and budget allowance:

State Board	2001 Revenues	2001 Expenditures	2002 Expenditure Allowance	2002 Revenue Assumption
Architects	\$100,629	\$159,187	\$53,385	\$99,276
Landscape Architects	\$64,736	\$52,148	\$7,475	\$63,086
Plumbing	\$210,500	\$196,134	\$284,886	\$170,000
Prof. Engineers	\$286,285	\$303,368	\$109,125	\$289,303
Prof. Land Surveyors	\$33,929	\$77,181	\$13,781	\$48,493
HVACR	\$144,900	\$430,368	\$159,168	\$143,500
Totals	\$696,079	\$1,218,386	\$627,820	\$813,658

Additional Information

Prior Introductions: None.

Cross File: SB 115 (The President) – Economic and Environmental Affairs.

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

Fiscal Note History: First Reader – February 1, 2001
jm/jr Revised – Updated Budget Information – April 4, 2001

Analysis by: Brian D. Baugus

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