

Department of Legislative Services  
Maryland General Assembly  
2002 Session

FISCAL NOTE  
Revised

House Bill 1200

(Delegate Oaks, *et al.*)

Environmental Matters

Judicial Proceedings

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Home Improvement Contractor and Subcontractor Licenses - Lead Abatement  
Accreditation Violations

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This bill prohibits a home improvement contractor licensed by the Department of Labor, Licensing, and Regulation (DLLR) from violating the lead paint abatement accreditation requirement administered under the Department of the Environment (MDE).

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Fiscal Summary

**State Effect:** Potential minimal increase in special fund fee revenues.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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Analysis

**Current Law:** To obtain an initial license or renewal of a current license from DLLR, a home improvement contractor or subcontractor must:

- pass an examination approved by DLLR (initial license only);
- pay a license fee of \$225 (contractor) or \$125 (subcontractor);
- provide proof of general liability insurance of at least \$50,000 (contractor); and
- pay \$100 (\$50 for renewal) into the Home Improvement Guaranty Fund (contractor).

License terms are two years and the same fees apply for renewals.

A person who commits a violation under the home improvement statute, whether a licensed contractor or not, is subject to a civil penalty of up to \$5,000, or a criminal penalty of not more than six months imprisonment, up to a \$1,000 fine, or both.

MDE accredits individuals to provide lead paint abatement services at several levels:

<u>Lead Paint Accreditation</u>	<u>Fee (initial application, and each two-year renewal)</u>
Abatement services contractor	\$200
Removal/demolition supervisor	125
Maintenance/repainting supervisor	100
Inspector technician	100
Visual inspector	100
Risk assessor	150
Structural steel supervisor	125

The experience and training levels vary for each level of accreditation.

A person who commits a violation relating to lead paint abatement may face penalties under Title 6 (Toxic, Carcinogenic, and Flammable Substances) or Title 7 (Hazardous Materials and Hazardous Substances) of the Environment Article. Under Title 6, a person may be subject to a civil penalty of up to \$5,000 per day, or a criminal penalty up to a \$25,000 fine and up to two years imprisonment, or both. Under Title 7, a person may be subject to an administrative penalty of up to \$25,000 per day, but not exceeding \$100,000.

**State Fiscal Effect:** Fiscal 2003 special fund revenues could increase from additional fees paid into the Lead Accreditation Fund to the extent that home improvement contractors become accredited through MDE to perform lead paint abatement services. There are no data available to reliably estimate what percentage of the approximately 12,000 licensed home improvement contractors would choose to become accredited.

Because the penalties are currently available, there is no fiscal impact resulting from the penalty provisions in the bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 12, 2002  
mam/jr Revised - House Third Reader - March 28, 2002

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