

**Department of Legislative Services**  
 Maryland General Assembly  
 2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 71 (Chairman, Environmental Matters Committee)  
 (By Request – Departmental – Agriculture)  
 Environmental Matters Education, Health, and Environmental Affairs

**Department of Agriculture - Weights and Measures - Fees**

This departmental bill increases annual registration fees for various weights and measures and establishes an annual registration fee for a point-of-sale system connected to a weighing or measuring device.

**Fiscal Summary**

**State Effect:** Special fund revenue increase of \$232,700 annually beginning in FY 2006 due to an increase in current registration fees and the establishment of one new fee. The bill would not require additional expenditures.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
SF Revenue	\$232,700	\$232,700	\$232,700	\$232,700	\$232,700
SF Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$232,700	\$232,700	\$232,700	\$232,700	\$232,700

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

**Local Effect:** None.

**Small Business Effect:** The Maryland Department of Agriculture (MDA) has determined that this bill will have a meaningful impact on small business (attached). Legislative Services concurs with this assessment but notes a minor difference in the revenue estimate. The attached assessment does not reflect amendments to the bill.

## Analysis

**Bill Summary/Current Law:** The annual registration fee for point-of-sale systems connected to weighing or measuring devices (generally, scanner scales at supermarket check-out counters) would be \$100 per business location. Current registration fees would be increased as shown in **Exhibit 1**.

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### Exhibit 1 Changes to Current Annual Registration Fees for Specified Weights and Measures

<u>Weight/Measure</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Scales – capacity up to 100 pounds	\$14 (max. per location, \$175)	\$20 (max. per location, \$225)
Scales – capacity 100 to 2,000 pounds	\$40	\$50
Vehicle scales	\$150	\$225
Grain moisture meter	\$50	\$100
Bulk petroleum fuel meter – 20 to 150 gallons per minute	\$35	\$50
Bulk petroleum fuel meter – 150 gallons or more per minute	\$70	\$85
Liquefied petroleum gas meter – ¾ inch diameter or less*	\$50	\$75

\*Under the bill, there would only be one fee for a liquefied petroleum gas meter; the fee for a liquefied petroleum gas meter of ¾ inch diameter or less would be increased to be the same as the fee for a liquefied petroleum gas meter of greater than ¾ inch diameter.

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The annual registration fee revenue is credited to the Weights and Measures Fund, which is used to defray the expenses associated with the program. Any unspent portions of the Weights and Measures Fund revert to the general fund each year.

**Background:** The Weights and Measures Section of MDA inspects and certifies the accuracy of measuring and weighing devices in the State to ensure that fairness and equity persist in all commercial transactions involving determination of quantity. In 1992, when the State was faced with a revenue shortage, a special fund was established to help defray program operating expenses. Revenue for the fund comes from annual registration fees covering almost 62,000 weighing and measuring devices paid by the 7,600 locations where such devices are used commercially within the State. Current registration fees are expected to generate approximately \$1.0 million annually. The fees have not been increased since the special fund was established.

MDA advises that the current registration fees no longer cover program costs and that additional special fund revenue is needed to maintain current service levels. MDA has 19 inspector positions to carry out field operations. According to MDA, staffing levels have been reduced by more than 50% since fiscal 1992 due to cost containment guidelines. MDA reports that any further reductions in staffing levels would compromise the integrity of the program. At current staffing levels, MDA requires up to two years to inspect each device in all but the most rural areas of the State.

MDA advises that it has reviewed the existing fee schedule and compared those fees with the actual time spent by field staff to conduct the required inspections. The proposed fee increases are based on that review. In addition, the new fee would cover the cost of continuing to inspect point-of-sale systems connected to weighing and measuring devices. Registration fees are due June 1 each year and are to fund that fiscal year.

The proposed fiscal 2006 budget for the Weights and Measures Program includes approximately \$1.2 million in special funds and \$510,245 in general funds.

**State Fiscal Effect:** Special fund revenues to the Weights and Measures Fund within MDA would increase by an estimated \$232,705 annually beginning in fiscal 2006 (\$162,705 from increases in existing fees and \$70,000 from the establishment of a registration fee for point-of-sale systems), as shown in **Exhibit 2**.

The estimated increases in revenue generated by increasing existing fees are based on the number of devices registered with MDA as of July 1, 2004. Based on recent experience, it is assumed that the number of registered devices will remain relatively constant in the out-years.

MDA advises that it would use the revenues generated under the bill to maintain existing staff, replace aging equipment, and perform curtailed inspections in order to maintain adequate service levels.

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**Exhibit 2**  
**Annual Revenues Generated Under HB 71**

<u>Weight/Measure</u>	<u>Current Annual Revenues</u>	<u>Additional Revenues Generated Under HB 71</u>
Scales – capacity up to 100 pounds	\$157,745	\$59,280
Scales – capacity 100 to 2,000 pounds	57,120	14,280
Vehicle scales	102,750	51,375
Grain moisture meter	6,050	6,050
Bulk petroleum fuel meter – 20 to 150 gallons per minute	41,685	17,865
Bulk petroleum fuel meter – 150 gallons or more per minute	27,090	5,805
Liquefied petroleum gas meter – ¾ inch diameter or less	16,100	8,050
Point-of-sale system connected to a weighing or measuring device (per business location)	N/A	70,000*
<b>Total</b>	<b>\$408,540</b>	<b>\$232,705</b>

\*Assumes 700 locations.

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**Additional Information**

**Prior Introductions:** Similar departmental legislation was introduced in the 1999 (HB 220), 2000 (HB 140), and 2001 (HB 206) sessions. All received unfavorable reports from the Environmental Matters Committee. Another similar bill (SB 54) was introduced in the 2004 session, but no action was taken by the Education, Health, and Environmental Affairs Committee.

**Cross File:** None.

**Information Source(s):** Maryland Department of Agriculture, Department of Legislative Services

**Fiscal Note History:** First Reader - January 31, 2005  
mam/ljm Revised - House Third Reader - March 23, 2005

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