

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 769

(Chairman, Judiciary Committee)

(By Request – Departmental – State Police)

Judiciary

Judicial Proceedings

**Office of the State Fire Marshal - Explosives Licenses and Permits - Expiration
 and Fees**

This departmental bill triples the fees that the State Fire Marshal collects for explosives licenses and permits and extends the license period from one to three years from the effective date of the license.

Fiscal Summary

State Effect: General fund revenues would increase by \$17,800 for all license types in FY 2006 and decrease by \$8,900 in FY 2007 and 2008. Tripling the fees and the license period has a zero net effect over a three-year licensing cycle.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenue	\$17,800	(\$8,900)	(\$8,900)	\$17,800	(\$8,900)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$17,800	(\$8,900)	(\$8,900)	\$17,800	(\$8,900)

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

Local Effect: None.

Small Business Effect: The Department of State Police has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. Any such impact would be realized in the savings attributable to less frequent criminal history background checks (once every three years, rather than annually).

Analysis

Bill Summary: The bill triples the fees for explosives licenses and permits as follows:

- License to engage in business as a manufacturer of:
 - less than 500 pounds of explosives – *from \$50 to \$150*;
 - 500 pounds or more of explosives but less than 5,000 pounds – *from \$100 to \$300*;
 - 5,000 pounds or more of explosives but less than 10,000 pounds – *from \$250 to \$750*; and
 - 10,000 pounds or more of explosives – *from \$500 to \$1,500*.
- License to engage in business as a dealer for:
 - retail only – *from \$25 to \$75*;
 - users – *from \$50 to \$150*; and
 - wholesale and retail – *from \$100 to \$300*.
- License to possess explosives other than for use in firearms – *from \$50 to \$150*.
- License to possess explosives for use in firearms – *from \$50 to \$150*.
- Storage license for:
 - Class A – 500 pounds or more of explosives – *from \$50 to \$150*; and
 - Class B – less than 500 pounds of explosives – *from \$25 to \$75*.
- Blaster's permit – *from \$20 to \$60*.

Current Law: The Office of the State Fire Marshal issues one-year licenses for the manufacture, dealing, or possession of explosives to each applicant who meets the statutory requirements. However, there are 13 specific grounds for which a license or permit must be denied, including that the applicant has been convicted of a felony or violent crime, is disloyal to the United States, or will use the explosives for an illegal purpose.

Chapter 198 of 1993 required an applicant for a license dealing with explosives to be subject to fingerprint-based State and national criminal history records checks, and to pay all associated fees. In Maryland, criminal history records checks are performed by the Criminal Justice Information System (CJIS) in the Department of Public Safety and Correctional Services.

Background: The federal Safe Explosives Act (effective May 24, 2003) requires that any person who wishes to transport, ship, or receive explosive materials in either interstate or intrastate commerce must first obtain a federal permit issued by the Bureau of Alcohol Tobacco and Firearms (ATF). Previously, a federal permit to purchase explosive materials was necessary if a person wished to transport, ship, or receive explosives in interstate commerce. A permit, however, was not necessary if a person acquired and used explosives within his or her state.

The Act also expanded (effective January 24, 2003) the categories of persons prohibited from possessing explosive materials to include: (1) aliens (with limited exceptions); (2) persons dishonorably discharged from the military; and (3) citizens of the United States who have renounced their citizenship. The Act requires manufacturers and importers of explosive materials, including ammonium nitrate, to furnish samples of these materials to ATF, as well as information on their chemical composition or other information ATF may request.

In addition, new federal regulations arising from the Act allow a federally issued explosives license to be valid for three years.

Three-year license terms are currently in effect for handgun permits and licenses for security guards, security system technicians, and private detectives – all of which are regulated by the Department of State Police.

In Maryland, in fiscal 2004, the following licenses were issued by the State Fire Marshal. All license revenue is deposited to the general fund.

<u>License Type</u>	<u>Number Issued</u>	<u>Total Fees Collected</u>
Explosives Retail	23	\$575
Explosives User	52	\$2,600
Wholesale/Retail	9	\$900
Manufacturers (0-499 lbs.)	1	\$50
Manufacturers (500-4,999 lbs.)	0	-
Manufacturers (5,000-9,999 lbs.)	0	-
Manufacturers (10,000 lbs. or more)	1	\$500
Class "A" Magazine Inspections	53	\$2,650
Class "B" Magazine Inspections	65	\$1,625
Total	204	\$8,900

In Maryland, the total maximum cost of each criminal history records check is \$52, which includes State and national background checks plus fingerprinting. CJIS Central Repository is authorized by law to collect an \$18 fee established for Maryland criminal history records checks. This fee represents cost recovery for processing and administration and is revenue/cost neutral. The FBI charges a fee of \$24 for a national criminal history records check. There is also normally a \$10 fee for two fingerprint cards (\$5 for the State card; \$5 for the separate FBI card). The CJIS Central Repository must collect the fees from the applicant, or other payer, and reimburse the FBI through the agency's monthly billing.

With a three-year licensing cycle, applicants will not have to undergo a CJIS check each year as under current law.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police, Department of Legislative Services

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n/jr

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