

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

**FISCAL AND POLICY NOTE**

House Bill 1642  
 Economic Matters

(Delegate Krysiak)

Education, Health, and Environmental  
 Affairs

**Business Occupations and Professions - Stationary Engineers - Qualifications**

This bill requires the State Board of Stationary Engineers, for the one-year period ending May 31, 2007, to waive any examination requirement under the Maryland Stationary Engineers Act and issue the appropriate grade of stationary engineer's license to an applicant who has lawfully provided stationary engineering services in accordance with services a licensee at that grade is authorized to provide for a specified period prior to application. Beginning June 1, 2007, an applicant may still qualify based on a record of service but must take an examination. The bill also allows the board to authorize an applicant to take an examination and qualify for a license based on work experience (part of which may be fulfilled by education) substantially equivalent to current work experience requirements.

The bill takes effect June 1, 2006.

**Fiscal Summary**

**State Effect:** General fund revenues could increase by \$12,800 in FY 2007. Future year revenues reflect biennial license renewal and a 95% renewal rate. The board could handle the additional workload within existing budgeted resources.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
GF Revenue	\$12,800	\$0	\$12,100	\$0	\$11,500
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$12,800	\$0	\$12,100	\$0	\$11,500

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## **Analysis**

**Current Law:** Under the Maryland Stationary Engineers Act, an individual must be licensed by the board in order to provide stationary engineering services in the State. There are five grades (Grade 1 requiring the most experience; Grade 5, the least) of stationary engineer licenses generally distinguishable by the authority of the licensee to oversee the operation of a boiler at a particular level of horsepower. Different education and experience requirements apply for each successive grade of license, generally requiring experience as a lower-grade stationary engineer (toward which education can be credited), being licensed as or having experience as another specified type of engineer, or completion of a four-year degree in mechanical engineering. Applicants must take an examination before being licensed and must pay application, examination, and license fees in the process, which are paid into the general fund. Licenses are issued for two-year terms.

An applicant that holds an active license in another state equivalent to the license sought may have the examination requirement waived by the board upon a majority vote of the members then serving, if the other state's requirements for obtaining the license are at least equivalent to Maryland's requirements.

Chapter 613 of 2005, which created the Maryland Stationary Engineers Act, requires an individual who provides stationary engineering services in Baltimore City to be licensed by the board on or after October 1, 2005, and an individual who provides stationary engineering services in any other jurisdiction on or after October 1, 2005, to be licensed by the board on or after July 1, 2006.

**Background:** Chapter 613 of 2005 also created the State Board of Stationary Engineers. The board replaced the Board of Examining Engineers which regulated and licensed examining engineers, also known as stationary engineers, in Baltimore City. At the time, several thousand stationary engineers outside of the city also held licenses issued by the Board of Examining Engineers despite not being required to be licensed by law, often due to employer requirements. These stationary engineers, along with stationary engineers in Baltimore City, that were actively licensed by the Board of Examining Engineers were brought into the new licensing system without needing to meet education, experience, and examination requirements. However, stationary engineers that were working legally without a license, outside of Baltimore, did not have a similar opportunity. This bill would allow those stationary engineers to qualify for a license

based on their experience, without having to take an examination for a one-year period ending May 31, 2007, after which the stationary engineers could still qualify based on their experience but would need to take an examination.

By allowing the board to authorize applicants to take an examination and be licensed based on work experience equivalent to current requirements, the bill appears to allow stationary engineers that may not meet current requirements or the requirements in the bill of having provided a certain level of services for a number of consecutive years, but nevertheless have previous stationary engineer education and experience equivalent to current requirements, to be licensed at a level commensurate to their education and experience upon taking an examination. Because current work experience requirements generally entail experience as a lower-grade stationary engineer or being licensed as or having experience as another specified type of engineer, a previously unlicensed stationary engineer outside of Baltimore City that has experience at a certain level presumably might need to start out with a lower-grade license, under the current requirements, despite having experience and/or education commensurate to a higher grade.

**State Revenues:** The Department of Labor, Licensing, and Regulation (DLLR) advises the bill's changes would mostly affect stationary engineers outside of Baltimore City who would otherwise seek to obtain a Grade 1, 2, or 3 license, if not for the current requirements of prior experience under a lower-grade license. DLLR advises it cannot estimate whether, in the absence of the bill, these stationary engineers would apply for a Grade 4 or 5 license or not apply at all (DLLR advises many would not be able to do the work they are currently performing, under a Grade 4 or 5 license).

DLLR estimates that roughly 500 stationary engineers would seek to be licensed under the bill's provisions – 350 applying for Grade 1 licenses (\$65 license fee) and 150 applying for Grade 2 and 3 licenses (\$50 license fee). Assuming that, without the bill, these stationary engineers would apply for a Grade 4 or 5 license (\$35 license fee), general fund revenues would increase by \$12,750 in fiscal 2007. Future year revenues reflect biennial license renewal and a 95% renewal rate.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 13, 2006  
ncs/ljm

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