

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 120 (Senator Munson)  
Education, Health, and Environmental Affairs

---

**Natural Resources - Tree Experts - Sole Proprietors**

---

This bill facilitates the licensing of tree experts who are sole proprietors by allowing submission of substitute documents to prove the work experience requirement has been met. Specifically, a sole proprietor applicant may submit four notarized affidavits from customers who received services within the three years immediately preceding the application indicating the applicant performed professional and satisfactory work as a tree expert. The bill also maintains the less stringent criteria temporarily in place for all tree expert license applicants who seek to qualify based on experience.

The bill takes effect June 1, 2007, and terminates at the end of December 31, 2007.

---

**Fiscal Summary**

**State Effect:** It is unclear how many individuals might apply for tree expert licenses as a result of the bill's changes. Special fund revenues would increase proportionately with the number of additional licensees in FY 2008 and future years due to collection of license and annual renewal fees. General fund expenditures could increase due to personnel costs in the event the bill's changes result in a significant number of additional licensees.

**Local Effect:** None.

**Small Business Effect:** Meaningful.

---

## Analysis

**Current Law/Background:** A person may not engage in the work or business of a tree expert without a tree expert license. The Department of Natural Resources (DNR) must issue a license to any applicant who: • pays the application fee; • is at least 18 years old; and • either meets a combination of specified education and experience requirements and passes an examination, or has been engaged continuously in practice with or as a tree expert in Maryland or in another state for at least three years immediately preceding the date of application. The application fee is \$30. An applicant who fails any examination is required to pay an additional fee of \$20 for each subsequent examination. The annual license renewal fee is \$10. Fees are paid into the State Treasury for DNR's use.

Chapter 197 of 2005 modified the definition of "tree expert" to include persons who represent themselves to the public as skilled in the trimming, pruning, thinning, cabling, shaping, removing, or reducing the crown of trees. Thus, additional entities became subject to regulation by DNR. However, because the experience and education requirements were not modified under Chapter 197, individuals who were required to be licensed were unable to meet the requirements necessary to obtain a license.

In an effort to address this issue, in August 2005 DNR held a meeting with representatives of various tree care industry trade associations and nonprofit organizations as well as a representative group of businesses affected by Chapter 197. Attendees agreed upon inclusion of a grandfathering provision that would allow examinees to demonstrate that they had been working for a legitimate tree company for three years, without that time having to have been under the supervision of a license holder.

As a result, Chapter 115 of 2006, in part, reduced the number of years of experience needed to qualify based solely on experience from five to three, removed the requirement that the experience be with a licensed tree expert, eliminated the examination requirement for those applicants, required proof of experience to be shown, and specified documents which could be used to provide proof of experience. The specified documents are income tax returns and either a liability insurance certificate, a business registration filing, a binder or certificate of insurance for workers' compensation, or a Workers' Compensation Commission certificate of compliance. Under the Act, those provisions will be abrogated and of no further force and effect at the end of May 31, 2007.

The tree expert license fee and renewal fee are \$30 and \$10, respectively. Licenses are renewed on an annual basis at the beginning of each calendar year. Just over \$20,000 was collected in licensing fees in fiscal 2006.

**State Fiscal Effect:** It is unclear how many individuals would apply for licenses during the seven-month period from June through December 2007 during which the bill would be effective. The fiscal impact of the bill cannot be reliably estimated. However, a contractual position could be required if a significant number of individuals applies for a license because of the bill's changes, resulting in a general fund expenditure increase. Special fund revenues from license and annual renewal fees would increase based on the number of additional licensees.

Of the 247 applications DNR has processed under the relaxed criteria of Chapter 115 of 2006, 44 have been denied, 11 of which were received from sole proprietors. It is unclear whether those individuals would reapply under the bill's provisions. It is, however, known that at least two sole proprietorships would apply for a license under the provisions of the bill. DNR advises the number of applicants could be significant, possibly in the thousands or tens of thousands, due to the relative ease with which an individual could collect four notarized affidavits from customers indicating the applicant performed professional and satisfactory work as a tree expert. The bill would also give individuals that can satisfy the current proof of experience requirements under Chapter 115 of 2006 an additional seven months in which to apply for a license.

The tree expert licensing process is administered by two individuals whose time is split with other programs. From the end of fiscal 2004 through the end of calendar 2006, the number of licensees almost doubled from 432 to 850 (with no change in staffing), largely due to the 2005 and 2006 legislative changes that expanded the types of tree experts required to be licensed and relaxed license requirements. The increase in license applications has led to significant delays in processing applications and renewals due to the lack of administrative resources. DNR advises the renewal rate for licenses is close to 100% and at the end of fiscal 2007 expects there to be between 900 and 950 licensees.

If a significant number of individuals applies for a license as a result of the bill's changes, a contractual position would be necessary to help process applications during the seven-month period from June through December 2007 during which the bill would be effective, as well as renewals in the beginning of 2008. If the number of individuals who applies for a license under the bill is as large as DNR advises it could be, a regular position or a contractual position, hired on a temporary basis each year to process renewals, could be needed. DNR could request such additional resources through the annual budget process. The program cannot be supported by licensing revenues alone; therefore, any such additional resources would likely be funded with general funds.

**Small Business Effect:** The bill's changes would have a meaningful effect on sole proprietor tree expert businesses that cannot obtain a license under the current documentation requirements. The bill would allow these businesses to continue operation. The bill could also benefit other individuals with tree expert businesses that

can meet the current proof of experience requirements but are not yet licensed, by extending the termination date of the less stringent criteria established under Chapter 115 of 2006. Tree experts that are currently licensed could be adversely affected due to increased competition.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Natural Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2007  
nas/ljm

---

Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510