

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1184
Economic Matters

(Delegate Murphy, *et al.*)

Business Occupations - Plumbers and Gas Fitters - Apprentice License Renewal

This bill limits the number of times a person may renew an apprentice plumber or an apprentice natural gas fitters license without taking the journey plumber or natural gas fitters license examination.

Fiscal Summary

State Effect: The net impact of the bill cannot be reliably quantified, however, any effect on State finances is expected to be minimal. Potential significant operational impact on the State Board of Plumbing due to a high number of apprentice licensees requesting appearances before the board.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: An apprentice plumber or natural gas fitters license may not be renewed for more than three consecutive terms unless the licensee takes the journey license exam or receives approval from the board. Persons who have held apprentice licenses for four nonconsecutive terms must appear before the board to explain the break in licensure. Persons who have held such licenses for four consecutive terms and have not taken the journey plumber or gas fitters examination must also appear before the board to explain the failure to take the examination. In both instances, the board may renew or refuse to renew an apprentice license based on a licensee's explanation.

For an individual who has held an apprentice license for four consecutive terms and fails the journey plumber or natural gas fitters examination, the board may grant a two-year renewal of the apprentice license.

Current Law: The State Board of Plumbing is housed within the Department of Labor, Licensing, and Regulation's (DLLR) Division of Occupational and Professional Licensing. The board has three statutorily established purposes: (1) to protect the integrity of the potable water supply; (2) to provide for the efficient and safe discharge of storm drainage and sanitary drainage; and (3) to ensure that qualified individuals carry out the board's charge.

Under State law, the board regulates the plumbing industry throughout most of Maryland, but lacks jurisdiction in Baltimore County or in areas of Montgomery and Prince George's counties that are under the jurisdiction of the Washington Suburban Sanitary Commission. The licenses issued by the board are not valid in these jurisdictions.

To provide plumbing services throughout most of the State, a person must be licensed by the board. The board issues three different plumbing licenses: master, journey, and apprentice. These licenses are typically held in conjunction with the equivalent gas fitters license. Apprentice plumbers may work only under the supervision of a master plumber. Journey plumbers are licensed to provide plumbing services while under the direction and control of a master plumber. Licenses are valid for two years and are issued on a staggered basis.

Background: Exhibit 1 displays the number of active plumber and gas fitters licenses between June 2005 and June 2009.

DLLR advises that the board currently has more than 1,000 apprentice licensees who have held this license for more than eight years. Under the bill, these licensees must either register to take the examination to obtain a journey plumber or natural gas fitters license or appear before the board. Master, journey, and apprentice plumbers and natural gas fitters must pay license fees of \$70, \$35, and \$15, respectively.

Exhibit 1
Number of Active Licensees, by Type of License

	<u>June</u> <u>2005</u>	<u>June</u> <u>2006</u>	<u>June</u> <u>2007</u>	<u>June</u> <u>2008</u>	<u>June</u> <u>2009</u>
Master Plumber/Gas Fitter	3,099	3,133	3,123	3,209	3,222
Journey Plumber/Gas Fitter	2,074	2,088	2,063	2,189	2,255
Apprentice Plumber/Gas Fitter	4,741	5,339	5,737	6,109	6,108
Total Plumber/Gas Fitter Licenses	9,914	10,560	10,923	11,507	11,585
Master Natural Gas Fitter	499	492	489	485	488
Journey Natural Gas Fitter	956	835	844	784	802
Apprentice Natural Gas Fitter	77	91	171	250	199
Total Gas Fitter Licenses	1,532	1,418	1,504	1,519	1,489

Source: State Board of Plumbing

State Fiscal Effect: To the extent that apprentice licensees graduate to journey status there may be an increase in general fund revenues due to the payment of the higher fee for a journey license. At the same time, general fund revenues decrease as some apprentices do not renew their licenses and leave the plumbing trade all together. The net effect on the number of board licensees cannot be determined; however, any effect on State finances is expected to be minimal.

DLLR advises that the bill has a significant operational impact on the board due to the high number of apprentice licensees who may choose to appear before the board to maintain their licensure. Because the bill does not establish a staggered timeframe for longstanding apprentice licensees to either register for the journey exam or appear before the board, it is expected that a high number of affected persons will attempt to schedule an appearance in fiscal 2011 and in future years as more apprentices reach the renewal limit.

Small Business Effect: The employment status of many apprentices becomes tenuous due to the bill. Thus, small plumbing businesses may suffer from the loss of experienced employees and a diminished labor pool. Moreover, the bill may result in small businesses hiring more journey plumbers or natural gas fitters. To the extent that these licensees command higher rates and salaries, the revenues and expenses of small businesses may increase due to the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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