

Department of Legislative Services
 Maryland General Assembly
 2010 Session

FISCAL AND POLICY NOTE

Senate Bill 94 (Chair, Education, Health, and Environmental Affairs
 Committee)(By Request - Departmental - Agriculture)
 Education, Health, and Environmental Affairs

Department of Agriculture - Weights and Measures - Registration Fees

This departmental bill increases the maximum fee per business location for the registration of small scales with a capacity of up to 100 pounds (from \$225 to \$300) and retail motor fuel dispenser meters of under 20 gallons per minute (from \$275 to \$350).

Fiscal Summary

State Effect: Special fund revenues increase by \$94,800 annually due to increased collection of registration fees. The bill does not require additional expenditures.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
SF Revenue	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800
SF Expenditure	-	-	-	-	-
Net Effect	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800

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 has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The Weights and Measures Section within MDA inspects weighing and measuring devices and prepackaged commodities to ensure honest and accurate transactions between consumers and businesses. Annual registration fees are specified in

statute. The registration fee for a scale with a capacity of up to 100 pounds is \$20, with a maximum fee per business location of \$225. The registration fee for a retail motor fuel dispenser meter of under 20 gallons per minute is \$15, with a maximum fee per business location of \$275. Registrations must be renewed each year. 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: According to MDA, the proposed fee increases are necessary to cover inspection costs, which have increased in recent years due to increases in personnel costs as well as vehicle operating costs. MDA advises that the bill will allow the Weights and Measures Section to maintain its current level of service. According to MDA, the fee on small scales has not been increased since 2005 and the fee on gas pumps has not been increased since 1992, when the Weights and Measures Fund was originally established. MDA advises that it has reviewed the existing fee schedule and has 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.

The Governor's proposed fiscal 2011 budget for the Weights and Measures Program includes approximately \$1.4 million in special funds and \$413,100 in general funds. There are 13,948 small scales and 40,605 gas pumps (dispensing under 20 gallons per minute) regulated by the Weights and Measures Program. In recent years, just over \$210,000 has been generated in registration fees for small scales and approximately \$460,000 has been generated in registration fees from gas pumps each fiscal year.

State Fiscal Effect: Special fund revenues increase by \$94,835, reflecting increased collection of registration fees due to the increase in the caps. This estimate is based on information from the Weights and Measures Section's current and active database accounts for each business (including the number of devices for each account) and the additional fees that each account will pay under the new maximum registration fees. MDA indicates 373 businesses with small scales exceed the current cap and 1,066 businesses with gas pumps exceed the current cap. Under the bill, these businesses will pay either all or part of the \$75 increase in the cap, depending on the number of small scales or gas pumps the business has.

The bill does not require additional expenditures; however, as mentioned above, MDA indicates the additional special fund revenue will allow the Weights and Measures Section to maintain its current level of service. The special fund revenue increase will offset rising costs of salaries, benefits, and operating expenses the program has incurred in the ensuing years since the last change in the fee structure. Registration fee revenue supports 18 Weights and Measures inspectors statewide.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 25, 2010
mlm/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Agriculture – Weights and Measures – Registration Fees

BILL NUMBER: SB 94

PREPARED BY: Maryland Department of Agriculture

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.