

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 136

(The Speaker)(By Request - Department of Legislative Services)

Economic Matters

Education, Health, and Environmental Affairs

State Board of Plumbing - Sunset Extension and Program Evaluation

This bill extends the termination date for the State Board of Plumbing by 10 years to July 1, 2023, and requires an evaluation of the board by July 1, 2022. The bill includes a related reporting requirement.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: General fund revenues and expenditures for the board are maintained beyond FY 2013. The Governor's proposed FY 2011 budget includes \$77,453 for board operations. The bill's reporting requirement can be handled with existed budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The State Board of Plumbing is housed within the Department of Labor, Licensing, and Regulation's (DLLR) Division of Occupational and Professional Licensing. Maryland statute sets out three purposes for the board:

- to protect the integrity of the potable water supply;

- to provide for the efficient and safe discharge of storm drainage and sanitary drainage; and
- 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 as well as in areas of Montgomery and Prince George's counties that are under the jurisdiction of the Washington Suburban Sanitary Commission.

Number of Licensees Growing Steadily

The board issues three different plumbing licenses: master, journey, and apprentice. These licenses are typically held in conjunction with the equivalent gas fitter license. Apprentice plumbers may assist a master plumber or a limited master plumber. Journey plumbers are licensed to provide plumbing services while under the direction and control of a master plumber. The board also certifies propane gas fitters and licenses plumbing inspectors. Licenses are valid for two years and are issued on a staggered basis.

The total number of plumber/gas fitter licenses has increased by 1,944 in the last five years, almost a 20% increase. New apprentice licenses accounted for the bulk of the increase; master and journey licenses increased to a lesser extent during this period. As of June 2009, 13,709 individuals were licensed by the board.

Maryland Program Evaluation Act

The board is one of approximately 70 entities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as "sunset review" as most agencies evaluated are also subject to termination, including the board which is scheduled to terminate July 1, 2013. The sunset review process begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC). LPC decides whether to waive an agency from further (or full) evaluation. If waived, legislation to reauthorize the agency typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

Board Recommended for Reauthorization with a Reporting Requirement

A preliminary sunset evaluation conducted by DLS in 2009 found that the board provides a valuable service to the public and is fulfilling its statutory requirements. Therefore, DLS recommended that the board be waived from full evaluation and that legislation be enacted to extend the board's termination date by 10 years to July 1, 2023. DLS also

recommended that DLLR submit a report by October 1, 2011, to specified committees of the General Assembly that addresses the following:

- the status of efforts to restructure the division to better serve the board's day-to-day operations, particularly related to its complaint backlog and other responsibilities;
- the board's disposition of consumer complaints going back at least to 2006, including its effectiveness in resolving complaints in a timely manner;
- the imposition of fines on licensees or individuals who engage in malpractice, in particular the frequency and average amount of such fines and whether or not industry regulation and consumer protection would benefit from increasing fine amounts;
- the size of the board's fiscal 2010 surplus or funding gap following the restructuring of the division, and any changes to the board's staffing or fees necessary to address its fiscal status; and
- whether the board has been successful in filling the vacant consumer member seat.

The bill implements those recommendations as adopted by LPC at its December 15, 2009 meeting.

Additional Information

Prior Introductions: None.

Cross File: SB 149 (The President)(By Request - Department of Legislative Services) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Legislative Services

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a/mcr

Analysis by: Michael T. Vorgetts

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