

Department of Legislative Services
 Maryland General Assembly
 2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 87 (Chair, Economic Matters Committee)(By Request -
 Departmental - State Police)

Economic Matters Education, Health, and Environmental Affairs

State Fire Marshal - Nongovernmental Electrical Inspectors

This departmental bill requires the certification by the State Fire Marshal of nongovernmental electrical inspectors in the State for the inspection of electrical installations for conformity with the National Electrical Code or any adopted local code or amendments. Application and renewal fees are established. The bill's requirements do not apply to: (1) public utilities, their affiliated companies, and electrical appliances and devices used in their work; (2) the inspection or certification of an electrical installation by a unit of a county government authorized to conduct electrical inspections; or (3) an electrical installation of the State or federal government during an emergency if it is necessary for the public welfare as a result of the emergency.

Fiscal Summary

State Effect: General fund revenues increase by \$500 in FY 2011. Future years reflect a similar number of initial applications occurring annually and estimated certification renewals every three years beginning in FY 2013. Expenditures are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
GF Revenue	\$500	\$500	\$5,600	\$500	\$500
Expenditure	0	0	0	0	0
Net Effect	\$500	\$500	\$5,600	\$500	\$500

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

Local Effect: None.

Small Business Effect: The Department of State Police has determined that this bill has minimal or no impact on small business (attached). (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The bill's provisions do not supersede any local law or ordinance establishing standards or qualifications for electrical inspectors and inspections within that local jurisdiction. A certified nongovernmental electrical inspector must obtain county approval or certification as may be required under local law or ordinance.

The bill repeals all current statutory provisions relating to the regulation of nongovernmental electrical inspectors.

Under the bill, a person must be certified by the State Fire Marshal as a nongovernmental electrical inspector before the person inspects or certifies an electrical installation. Before a utility authorizes electrical current to be turned on for a premise or structure, the utility must receive a cut-in certificate from a certified nongovernmental electrical inspector or governmental unit qualified to issue such certificates. Within 15 days after completion, each electrical installation must be certified.

An applicant for a nongovernmental electrical inspector certificate is required to meet the following minimum qualifications:

- complete an apprenticeship as an electrician;
- complete at least five years of documented progressive experience in the electrical trade; and
- pass a written examination administered by the State Fire Marshal.

In lieu of these minimum eligibility requirements, the State Fire Marshal is authorized to adopt regulations allowing an applicant to substitute an electrical engineering degree or accumulated credits toward an electrical engineering degree in combination with education, training, and experience to meet the qualifications.

An applicant for a certificate must:

- submit an application on the form provided by the State Fire Marshal;
- submit all documents that the State Fire Marshal requires; and
- pay an application fee of \$100 or a renewal fee of \$50.

The application form must contain a statement advising the applicant that willfully making a false statement on an application is a misdemeanor and subject to maximum penalties of six months imprisonment and/or a fine of \$500.

The State Fire Marshal must issue a three-year certificate to each applicant who meets the bill's requirements. Each certificate holder must give the State Fire Marshal written notice of change of address within 10 business days after the change. The bill specifies the contents of a certificate and provides for certificate renewals and expirations.

The State Fire Marshal is authorized to deny, refuse to renew, suspend, or revoke a certificate or reprimand a certificate holder and may impose a civil penalty of up to \$1,000 under specified circumstances. A violator of the bill's certification provisions, including willfully making a false statement on a certification application, is guilty of a misdemeanor and subject to maximum penalties of imprisonment for six months and/or a fine of \$500.

Any person aggrieved by a final decision of the State Fire Marshal in a contested case is entitled to appeal and to judicial review.

The State Fire Marshal is authorized to adopt implementary regulations. It is the intent of the General Assembly that inspectors certified by the State Fire Marshal prior to October 1, 2010 are not subject to the bill's examination requirements. Such persons may only be charged the renewal fee of \$50, rather than the initial certification fee of \$100, upon expiration of the existing certificate.

Current Law: Each electrical installation in the State must conform to the National Electrical Code or the electrical code adopted by the county in which the electrical installation is done. The State Fire Marshal approves nongovernmental organizations as "authorized electrical inspection agencies" to inspect "electrical installations" for conformity with the National Electrical Code or a local code. This authority does not apply to Baltimore, Carroll, Frederick, or Montgomery counties. It also does not apply to public utilities, their affiliated companies, and electrical appliances and devices used in their work.

Within 15 days after completion, each electrical installation must be certified by an authorized electrical inspection agency or a governmental unit qualified to issue electrical inspection certificates.

In a county that does not have a board or department of electrical inspections, the State Fire Marshal may test and issue a qualification certificate to a nongovernmental organization seeking to qualify as an authorized electrical inspection agency. An authorized electrical inspection agency may inspect electrical installations for conformity with the National Electrical Code or a local electrical code. The State Fire Marshal is required to regulate the quality and performance of inspections by authorized electrical inspection agencies.

In Charles and St. Mary's counties, a homeowner may install electrical wiring in a home that is to be used as the homeowner's residence subject to standards set by the county commissioners. The county commissioners of Charles County may adopt regulations to govern the issuance of permits to homeowners. The county commissioners of St. Mary's County are required to adopt regulations to govern the issuance of permits to homeowners.

A violator of these provisions is guilty of a misdemeanor and subject to maximum penalties of imprisonment for six months and/or a fine of \$500.

Background: In the past year, the State Fire Marshal became aware of substandard electrical inspections being conducted by an inspector holding an out-of-state license. This person, who had previously failed the Maryland Nongovernmental Inspectors' Test, was advised to cease and desist all electrical inspections in Maryland after being denied a request for certification based solely on the licensure in another state. The case gave rise to concerns by the State Fire Marshal that more regulation was necessary.

The State Fire Marshal does not currently have the authority to deny, suspend, revoke, or cancel a nongovernmental electrical inspector's ability to operate in the State.

State Fiscal Effect: The Department of State Police indicates that this bill generally codifies current processes employed by the State Fire Marshal to certify nongovernmental electrical inspectors in the State.

There are currently 106 nongovernmental electrical inspectors in Maryland certified by the State Fire Marshal under current law. Although the bill allows the State Fire Marshal to stagger certifications and renewals, the agency advises that, because the certifications for all 106 currently certified inspectors expire on the same date in 2013, the current practice of nonstaggered terms will continue for all new and future inspectors regardless of when the application was received and certification granted.

Assuming five new applications per year, beginning in fiscal 2011, and five annual nonrenewals, the number of nongovernmental electrical inspectors certified by the State Fire Marshal is expected to remain relatively constant for the foreseeable future. As a result, in fiscal 2011, five new applications at \$100 each are estimated to occur, for a general fund revenue increase of \$500. The same is expected to occur in fiscal 2012, 2014, and 2015. Five inspectors are also expected to leave the industry annually. However, any lost revenue from such occurrences will not be felt until fiscal 2013 and each three-year interval thereafter. The estimated general fund revenue increase of \$5,550 in fiscal 2013 is based on these same assumptions.

Enforcement will be handled with the existing budgeted resources of the State Fire Marshal. Any additional hearings relating to disciplinary actions will be handled with the existing budgeted resources of the Office of Administrative Hearings.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of State Police, Office of Administrative Hearings, Department of Legislative Services

Fiscal Note History: First Reader - January 19, 2010
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Fire Marshal – Nongovernmental Electrical Inspectors

BILL NUMBER: HB 87

PREPARED BY: Maryland State Police

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.