

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 728

(Cecil County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Cecil County - Board of Electrical Examiners and Licensing of Electricians

This bill repeals various provisions of local law related to the Cecil County Board of Electrical Examiners, including provisions regarding the establishment of the board; appointment and compensation of its members; the length of board terms; election of its officers; frequency and conduct of board meetings; and various duties and powers of the board, including licensing of master electricians. The bill also repeals the board's electrical standards.

Fiscal Summary

State Effect: None. Assuming Cecil County still provides for the licensing of master electricians at the local level, the bill only affects local government operations.

Local Effect: Cecil County revenues increase by about \$24,000 in FY 2011 as the county takes over the issuance of electrical permits from the board. Cecil County expenditures increase by about \$30,000 in FY 2011 to hire a permit clerk to handle the additional work. Future year revenues and expenditures increase as the number of permits issued increases.

Small Business Effect: Potential meaningful.

Analysis

Current Law:

Cecil County Board of Electrical Examiners and Local Regulation of Master Electricians

The Cecil County Board of Electrical Examiners is responsible for examining the qualifications and capabilities of all who are engaged in, or desire to engage in, the business of master electrician in Cecil County. There are five board members. Members receive compensation and expenses incurred in connection with official duties. The board must meet at least once a month and must submit an annual report to the Cecil County Commissioners.

Before any person engages in the business of master electrician in Cecil County, the person must apply to the board for a license. Various conditions apply for licensure, and each person granted a license must carry liability insurance. License fees are \$50 for county residents; at least \$50 for nonresidents; and at least \$75 for out-of-state applicants. Licenses are valid for one year, and specified renewal fees apply. All fees collected by the board must be used to defray the board's expenses.

The board is authorized to suspend or revoke licenses under specified conditions. In addition to having their licenses revoked, violators are guilty of a misdemeanor and on conviction, must be sentenced to pay a fine of not less than \$25 or more than \$500, or to imprisonment not exceeding 90 days, or both, in the discretion of the court.

All work performed and installed by a licensee must be in accordance with the current edition of the National Electrical Code and must be certified by the recognized electrical inspection authority.

Under State law, pursuant to Article 25, Cecil County has the authority to develop its own rules and regulations relating to the licensing of electricians; the duties and powers of electrical inspectors; penalties for violations; and the establishment, powers, and duties of a Board of Electrical Examiners.

The Maryland Master Electricians Act

Pursuant to the Maryland Master Electricians Act, the State Board of Master Electricians in the Department of Labor, Licensing, and Regulation also licenses master electricians. Each county is required to adopt regulations that have qualifications comparable to or more stringent than specified State qualifications *or* require a State license. In a local jurisdiction that requires a local license, the State license serves only as a mechanism that

helps a licensee in obtaining a local license. In local jurisdictions that do not require a local license, the State license is what authorizes the licensee to provide electrical services as a master electrician.

Background: Cecil County advises that the Board of Electrical Examiners is currently responsible for issuing electrical licenses and resolving disputes involving matters relating to electrical service. However, the board is also responsible for issuing electrical permits and conducting electrical inspections. According to the county, the board contracts its inspection duty to one electrical inspection agency and provides the agency with office space. In return, the agency pays the board 10% of its inspection fees, which are established by the board. Office space for the board is provided by the county commissioners, which receives 5% of the board's inspection fees.

Cecil County advises that the current arrangement has the potential to create a conflict of interest because the inspection agency is not only responsible for the actual inspection of electrical work but also for working for the electrical board in the board's capacity as arbiter when complaints are filed.

Because State law authorizes the county to develop its own rules and regulations relating to the licensing, permitting, inspections, penalties, and responsibilities of the board, this bill allows the county to separate these duties by making the county responsible for issuing electrical permits and overseeing inspections. Assuming this bill is enacted, Cecil County advises that it intends to adopt a local ordinance to require homeowners and contractors to obtain electrical permits from the county's existing Office of Permits and Inspections and to hire an electrical inspector from a list of several approved inspection agencies. The county advises that under its plan, the board will still handle the licensing of master electricians and will still resolve disputes.

Local Fiscal Effect: As noted above, Cecil County advises that under the bill, it plans to take over the permitting function currently handled by the board and that in order to do that, a part-time permit clerk is needed. Accordingly, county expenditures increase by an estimated \$30,400 in fiscal 2011, which reflects a salary, fringe benefits, and one-time and ongoing operating expenses. In the out-years, costs increase minimally.

Cecil County reports that net county revenues will increase by an estimated \$24,000 in fiscal 2011. This estimate assumes that the county will issue approximately 1,000 electrical permits at \$30 each and that the county will save approximately \$7,800 on office space currently provided to the board. It also reflects a decrease in county revenues from permit fees that the board would otherwise pay to the county (about \$14,000 annually), although the county advises that it has not received any such fees

recently. Revenues from permit fees are anticipated to increase somewhat in the out-years, as the number of permits issued is anticipated to increase over time.

The board is not funded through the county's budget, so any impact on the board's finances does not have a direct impact on county finances.

Small Business Effect: Cecil County advises that the bill provides additional opportunities for inspection agencies to do business in Cecil County, thus promoting competition and resulting in lower costs to the public. Although the extent of any impact on small businesses cannot be reliably estimated, the county advises that the savings could be substantial. In addition, according to the county, the bill has the potential to expedite inspections.

Additional Information

Prior Introductions: None.

Cross File: HB 340 (Cecil County Delegation) – Economic Matters.

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

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