

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 293 (Chair, Environmental Matters Committee)(By Request -
 Departmental - Agriculture)

Environmental Matters Education, Health, and Environmental Affairs

Weights and Measures - Registration Fees

This departmental bill increases the maximum fee per business location for the registration of scales with a capacity of up to 100 pounds (from \$225 to \$325) and retail motor fuel dispenser meters of under 20 gallons per minute (from \$275 to \$375). The bill also repeals a general fund reversion provision relating to the Weights and Measures Fund and requires that any unspent or unencumbered balance in the fund at the end of the year remain in the fund.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: Special fund revenues increase by \$117,300 annually due to increased collection of registration fees. The bill does not require additional expenditures.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
SF Revenue	\$117,300	\$117,300	\$117,300	\$117,300	\$117,300
SF Expenditure	-	-	-	-	-
Net Effect	\$117,300	\$117,300	\$117,300	\$117,300	\$117,300

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. (The attached assessment does not reflect amendments to the bill.)

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. Weights and measures used for commercial purposes generally must be registered, and an applicant for registration must pay a registration fee.

Annual registration fees are specified in statute for various types of weights and measures. 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. 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: The Weights and Measures Section's 18 inspectors are responsible for testing and evaluating 61,000 devices and 7,500 businesses throughout the State for compliance with regulatory requirements, as well as responding to between 500 and 700 consumer complaints each year.

The weights and measures registration fees were established in statute in 1992 (Chapter 136), some at their current levels. A number of the fees were increased, and one additional fee was established, in 2005 (Chapter 349). MDA advises, however, that approximately 90% of the program's special fund revenues (the vast majority of which is generated from the registration fees) is currently used for salaries and benefits and is not sufficient to cover a significant amount of critically needed vehicle/equipment replacement. In addition, staffing levels of the program have been reduced in past years to stay within cost containment guidelines; inspection rates have decreased; and noncompliance has increased.

According to the December 2010 *Fees and User Charges Biennial Report* issued by the Comptroller, fiscal 2010 revenues from the weights and measures registration fees totaled \$1,174,000, with \$133,000 in other special fund revenues being generated from testing and calibration services. Special fund expenditures in fiscal 2010 were \$1,307,000. The fiscal 2012 State budget includes \$1,386,000 in special fund expenditures for the program and \$404,000 in general fund expenditures. The program's general funds are not used for inspection activities, however.

There are 14,552 scales with a capacity of up to 100 pounds and 39,990 retail motor fuel dispenser meters of under 20 gallons per minute regulated by the Weights and Measures Program. Based on registration information, in recent years, approximately \$210,000 and

\$460,000, respectively, has been generated in registration fees from these devices each fiscal year.

State Fiscal Effect: Special fund revenues increase by \$117,320, 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 on business locations and the number of devices registered at each business location. According to the information, 383 business locations with scales with a capacity of up to 100 pounds exceed the current cap and 1,059 business locations with retail motor fuel dispenser meters of under 20 gallons per minute exceed the current cap. Under the bill, these businesses will pay either all or part of the \$100 increase in the cap, depending on the number of scales or meters at each business location.

The bill does not require additional expenditures; however, the additional revenue is expected to be used to maintain the program's current level of service and for needed vehicle replacement. The repeal of the existing general fund reversion provision and requirement that any unspent or unencumbered balance in the fund remain in the fund will allow any unspent money in a given fiscal year to be retained and used in the following year. The repeal of the general fund reversion provision is not expected to materially affect general fund revenues.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2011
ncs/lgc Revised - Enrolled Bill - April 22, 2011

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Weights and Measures – Registration Fee

BILL NUMBER: HB 293

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.