

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 953

(Senator Ready)

Finance

Judiciary

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State Fire Marshal - Unauthorized Billing - Prohibition

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This bill prohibits the Office of the State Fire Marshal (OSFM) from charging, attempting to charge, or imposing a fee on a person for any service or the processing of any documents or permits for which the person applied on behalf of another person and did not specifically contract or otherwise agree to pay.

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Fiscal Summary

**State Effect:** Potential minimal decrease in general fund revenues to the extent that, due to the omission of a contractual agreement to charge or obtain payment from a third party, OSFM is unable to recoup fee revenue from persons who have applied for services on behalf of another person. Expenditures are not affected.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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Analysis

**Current Law/Background:** The State’s primary role in providing fire and rescue services involves adopting and enforcing regulations and training local fire department employees. OSFM is charged with fire code enforcement, fire scene and bombing investigations, explosives licensing and regulation, fire prevention and public education activities, and fire data collection and analysis.

OSFM is required to collect fees for inspections and for review of plans. “Plan review” means the review of all construction drawings and specifications for commercial and

residential construction. Plan review includes the review of site, architectural, mechanical, electrical, sprinkler, fire alarm, and special extinguishing systems drawings and specifications. Plan review is not required for the construction of one- and two-family dwellings or construction for which plan review is conducted by the local authority.

OSFM advises that inspections are requested through local county permitting offices by any number of persons or company representatives. OSFM relies on forms for the location of an inspection, contractor information, job description, and signature of the responsible party. Requests for inspection can be made by permit holders, agents for the contractor, or other third parties. OSFM further notes that, normally, a company that hires a third party to do business for the company gives the third party any monies required to conduct that business, unless otherwise stated in the contract. OSFM uses the signature of the responsible party for billing purposes unless specifically told otherwise.

Because the permitting process can be complex and time-consuming, companies that are required to obtain permits in the course of business often rely on “permit expeditors” to handle the process. Permit expeditors file the required paperwork *on behalf of* the underlying person responsible for a project. The bill is intended to prevent OSFM from charging permit expeditors for processing of documents or permits for which the permit expeditor applied on behalf of another person, without a specific contractual provision or agreement to authorize such a charge.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of State Police, Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2016  
kb/kdm Revised - Senate Third Reader - March 29, 2016

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Analysis by: Eric Pierce

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