

HOUSE BILL 246

C2

7lr0105

By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 23, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Labor, Licensing, and Regulation – State Occupational**
3 **Mechanical Licensing Boards – Fund and Fees**

4 FOR the purpose of establishing the State Occupational Mechanical Licensing Boards'
5 Fund as a special, nonlapsing fund in the Department of Labor, Licensing, and
6 Regulation; specifying the contents of the Fund; requiring that the Fund be used for
7 certain purposes; requiring the Secretary of Labor, Licensing, and Regulation, or a
8 designee of the Secretary, to administer the Fund; providing for an audit of the Fund;
9 requiring any unspent and unencumbered portion of the Fund in excess of a certain
10 amount to revert to the General Fund at the end of each fiscal year; crediting certain
11 earnings to the General Fund; requiring the Secretary, in consultation with the State
12 Board of Master Electricians, the State Board of Stationary Engineers, the State
13 Board of Plumbing, and the State Board of Heating, Ventilation, Air–Conditioning,
14 and Refrigeration Contractors, to calculate annually certain costs; authorizing the
15 State Board of Master Electricians, the State Board of Stationary Engineers, the
16 State Board of Plumbing, and the State Board of Heating, Ventilation,
17 Air–Conditioning, and Refrigeration Contractors to set by regulation certain fees
18 based on certain calculations; requiring certain boards to publish certain fee
19 schedules; repealing provisions of law requiring certain boards to pay certain money
20 into the General Fund of the State; repealing a provision of law requiring the
21 Secretary to monitor revenues of the State Board of Master Electricians for a certain
22 purpose; requiring certain boards to pay certain fees to the Comptroller; requiring
23 the Comptroller to distribute certain fees to the Fund; prohibiting certain fees from
24 being increased by more than a certain amount each year; altering certain fees;
25 requiring that certain fees in effect on a certain date shall remain in full force and
26 effect until certain other fees are adopted and become effective; and generally
27 relating to the State Occupational Mechanical Licensing Boards' Fund.

28 BY repealing

29 Article – Business Occupations and Professions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–207, 6–606, and 12–209
2 Annotated Code of Maryland
3 (2010 Replacement Volume and 2016 Supplement)

4 BY adding to
5 Article – Business Occupations and Professions
6 Section 6–207 and 12–209
7 Annotated Code of Maryland
8 (2010 Replacement Volume and 2016 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article – Business Occupations and Professions
11 Section 6–309(a)(2)(i), 6–310(c)(2), 6–311(d)(3)(ii), (4)(ii), and (f)(3), 6–312(a)(3) and
12 (b), 6–313(d)(2), 6–401(c)(3)(iii), 6–402(b)(2), 6–503(c)(3), 6.5–207,
13 6.5–304(a)(2)(i), 6.5–313(a)(3) and (b)(2)(iii), 12–303(2), 12–306(a)(2)(ii),
14 12–308(c)(2), and 12–503(d)(3)(ii)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2016 Supplement)

17 BY adding to
18 Article – Business Regulation
19 Section 2–106.9 and 2–106.10
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2016 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Business Regulation
24 Section 9A–207
25 Annotated Code of Maryland
26 (2015 Replacement Volume and 2016 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
28 That the Laws of Maryland read as follows:

29 **Article – Business Occupations and Professions**

30 [6–207.

31 The State Board shall pay all money collected under this title into the General Fund
32 of the State.]

33 **6–207.**

34 **(A) (1) THE STATE BOARD MAY SET BY REGULATION REASONABLE FEES**
35 **FOR ITS SERVICES.**

1 **(2) THE FEES CHARGED SHALL BE:**

2 **(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**
3 **OF MAINTAINING THE STATE BOARD; AND**

4 **(II) BASED ON THE CALCULATIONS PERFORMED BY THE**
5 **SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

6 **(B) THE STATE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY**
7 **THE STATE BOARD.**

8 **(C) (1) THE STATE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS**
9 **TITLE TO THE COMPTROLLER.**

10 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**
11 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED UNDER §**
12 **2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

13 6-309.

14 (a) If an applicant qualifies for a State license under this subtitle, the State Board
15 shall send the applicant a notice that states that:

16 (2) the State Board will issue a State license to the applicant on receipt of:

17 (i) **[\$20] A LICENSE FEE SET BY THE STATE BOARD;** and

18 6-310.

19 (c) Before a State license expires, the State licensee periodically may renew it for
20 an additional 2-year term, if the State licensee:

21 (2) pays to the State Board a renewal fee **[of \$25] SET BY THE STATE**
22 **BOARD;**

23 6-311.

24 (d) (3) Before the inactive status expires, an individual on inactive status
25 periodically may renew it for an additional 2-year term, if the individual:

26 (ii) except for an electrical inspector, pays to the State Board a
27 renewal fee **[of \$50] SET BY THE STATE BOARD;** and

28 (4) After an inactive status expires, the former licensee may reapply for
29 inactive status only if the former licensee:

1 (ii) pays to the Board a reapplication fee [of \$100] **SET BY THE**
2 **STATE BOARD**; and

3 (f) The State Board shall reactivate the State license of an individual who is on
4 inactive status, if the individual:

5 (3) pays to the State Board a reactivation fee [of \$50] **SET BY THE STATE**
6 **BOARD**.

7 6–312.

8 (a) The State Board shall reinstate the State license of a master electrician who
9 is not on inactive status and who has failed to renew the State license for any reason, if the
10 master electrician:

11 (3) in addition to the renewal fee required under § 6–310 of this subtitle,
12 pays to the State Board a reinstatement fee [of:

13 (i) \$25 for up to and including a 30–day late renewal;

14 (ii) \$50 for up to and including a 60–day late renewal; or

15 (iii) \$100 for a late renewal over 60 days] **SET BY THE STATE**
16 **BOARD**.

17 (b) If a master electrician who has failed to renew the State license for any reason
18 applies for reinstatement more than 2 years after the State license has expired, the State
19 Board shall require the master electrician to pay a reinstatement fee [of \$100] **SET BY THE**
20 **STATE BOARD**, and comply with the requirements for obtaining a State license under §§
21 6–304, 6–307, and 6–503 of this title.

22 6–313.

23 (d) The State Board may change the status of an electrical inspector to individual
24 inactive status, if the electrical inspector:

25 (2) pays an inactive status fee [of \$50] **SET BY THE STATE BOARD**.

26 6–401.

27 (c) (3) If, after issuance of a State license to an individual, the individual
28 intends to assign a local license obtained on the basis of the State license, the individual
29 shall:

1 (iii) pay to the State Board an identification fee [of \$50] SET BY THE
2 STATE BOARD;

3 6-402.

4 (b) To change an assignment of a local license, an applicant shall:

5 (2) pay to the State Board a change of status fee [of \$50] SET BY THE
6 STATE BOARD;

7 6-503.

8 (c) The State Board shall grant a waiver under this section for an applicant who
9 holds a license from a local jurisdiction only if the applicant:

10 (3) pays any reciprocal license fee [required under this title] SET BY THE
11 STATE BOARD;

12 [6-606.

13 (a) The General Assembly intends that the revenues of the State Board be
14 sufficient to meet its costs, including reasonably apportioned Department overhead.

15 (b) The Secretary shall:

16 (1) monitor the fees and other revenue of the State Board for compliance
17 with the intent of this section; and

18 (2) recommend adjustments, if necessary.]

19 6.5-207.

20 (a) Subject to [subsections (b) and (c)] SUBSECTION (B) of this section, the Board
21 may set BY REGULATION reasonable fees for its services.

22 (b) [Except as provided in subsection (c) of this section, revenues generated by the
23 Board shall be at least equal to the direct and indirect costs associated with the operation
24 of the Board.

25 (c) The Board shall require the following fees for the issuance or renewal of the
26 following licenses:

27 (1) Grade 1 license – \$65;

28 (2) Grade 2 or Grade 3 license – \$50; and

1 (3) Grade 4 or Grade 5 license – \$35.

2 (d) The Board shall pay all money collected under this title into the General Fund
3 of the State.]

4 **EXCEPT FOR EXAMINATION FEES, WHICH MAY NOT EXCEED THE COSTS OF**
5 **ADMINISTERING THE EXAMINATION, THE FEES CHARGED SHALL BE:**

6 (1) **SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF**
7 **MAINTAINING THE BOARD; AND**

8 (2) **BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY**
9 **UNDER § 2–106.10 OF THE BUSINESS REGULATION ARTICLE.**

10 (c) **THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**
11 **BOARD.**

12 (d) (1) **THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**
13 **TO THE COMPTROLLER.**

14 (2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**
15 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**
16 **2–106.9 OF THE BUSINESS REGULATION ARTICLE.**

17 6.5–304.

18 (a) An applicant for a license shall:

19 (2) pay to the Board or the Board's designee:

20 (i) a nonrefundable application fee [of \$25] **SET BY THE BOARD;**

21 and

22 6.5–313.

23 (a) The Board shall reinstate the license of an individual who, for any reason, has
24 failed to renew the license, if the individual:

25 (3) except as otherwise provided in subsection (c) of this section, pays to
26 the Board a reinstatement fee [of \$100] **SET BY THE BOARD**, in addition to all past due
27 renewal fees.

28 (b) (2) The Board may reinstate a license under paragraph (1)(ii) of this
29 subsection only if the individual:

1 (iii) except as otherwise provided in subsection (c) of this section, pays
2 to the Board a reinstatement fee [of \$100] **SET BY THE BOARD**, in addition to all past due
3 renewal fees.

4 [12-209.

5 The Board shall pay all money collected under this title into the General Fund of the
6 State.]

7 **12-209.**

8 (A) (1) **THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS**
9 **SERVICES.**

10 (2) **THE FEES CHARGED SHALL BE:**

11 (I) **SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**
12 **OF MAINTAINING THE BOARD; AND**

13 (II) **BASED ON THE CALCULATIONS PERFORMED BY THE**
14 **SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

15 (B) **THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**
16 **BOARD.**

17 (C) (1) **THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**
18 **TO THE COMPTROLLER.**

19 (2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**
20 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**
21 **2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

22 12-303.

23 An applicant for a license shall:

24 (2) except as otherwise provided in this subtitle, pay to the Board or the
25 Board's designee an examination fee **SET BY THE BOARD FOR:**

26 (i) [for] a master plumber license, a journey plumber license, or a
27 master natural gas fitters license, in an amount [set by the Board,] not to exceed the cost
28 of the required examination;

1 (ii) [for] an apprentice plumber license or apprentice natural gas
2 fitters license [of \$15];

3 (iii) [for] a propane gas fitter certificate [of \$25];

4 (iv) [for] a journeyman natural gas fitters license [of \$25]; or

5 (v) [for] a master natural gas fitters license without examination [of
6 \$50].

7 12-306.

8 (a) If an applicant qualifies for a journey plumber license, a master plumber
9 license, a limited license, a master natural gas fitters license, a journeyman natural gas
10 fitters license, an apprentice natural gas fitters license, or a propane gas fitter certificate
11 under this subtitle, the Board shall send the applicant a notice that states that:

12 (2) the Board will issue a license to the applicant on receipt of:

13 (ii) a license fee [of:

14 1. \$70 for a master plumber license or a limited master
15 plumber license;

16 2. \$35 for a journey plumber license or a limited journey
17 plumber license;

18 3. \$35 for a propane gas fitter certificate;

19 4. \$70 for a master natural gas fitters license; or

20 5. \$35 for a journeyman natural gas fitters license] **SET BY**

21 **THE BOARD.**

22 12-308.

23 (c) Before a license expires, the licensee may renew it for an additional 2-year
24 term, if the licensee:

25 (2) pays to the Board a renewal fee [of:

26 (i) \$70 for a master plumber license or a limited master plumber
27 license;

28 (ii) \$35 for a journey plumber license or a limited journey plumber
29 license;

- 1 (iii) \$15 for an apprentice plumber license or apprentice natural gas
 2 fitters license;
- 3 (iv) \$35 for a propane gas fitter certificate;
- 4 (v) \$35 for a master natural gas fitters license; or
- 5 (vi) \$25 for a journeyman natural gas fitters license] **SET BY THE**
 6 **BOARD**; and
- 7 12-503.

8 (d) (3) On termination of the appointment or employment of an individual as
 9 a plumbing inspector, the Board shall reactivate the master plumber license, journey
 10 plumber license, or limited license of an individual who is on inactive status, without
 11 examination, if the individual:

- 12 (ii) pays to the Board a reactivation fee [of:
- 13 1. \$20, for a journey plumber or holder of a limited journey
 14 plumber license; or
- 15 2. \$50, for a master plumber or holder of a limited master
 16 plumber license] **SET BY THE BOARD**.

17 Article – Business Regulation

18 2-106.9.

19 (A) IN THIS SECTION, “FUND” MEANS THE STATE OCCUPATIONAL
 20 MECHANICAL LICENSING BOARDS’ FUND.

21 (B) THIS SECTION APPLIES TO THE FOLLOWING OCCUPATIONAL LICENSING
 22 BOARDS:

23 (1) THE STATE BOARD OF MASTER ELECTRICIANS ESTABLISHED
 24 UNDER TITLE 6 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

25 (2) THE STATE BOARD OF STATIONARY ENGINEERS ESTABLISHED
 26 UNDER TITLE 6.5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

27 (3) THE STATE BOARD OF PLUMBING ESTABLISHED UNDER TITLE 12
 28 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

1 **(4) THE STATE BOARD OF HEATING, VENTILATION,**
2 **AIR-CONDITIONING, AND REFRIGERATION CONTRACTORS ESTABLISHED UNDER**
3 **TITLE 9A OF THIS ARTICLE.**

4 **(C) (1) THERE IS A STATE OCCUPATIONAL MECHANICAL LICENSING**
5 **BOARDS' FUND IN THE DEPARTMENT.**

6 **(2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8 **(D) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, EACH OCCUPATIONAL**
9 **LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION SHALL PAY ALL**
10 **FEES COLLECTED TO THE COMPTROLLER.**

11 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.**

12 **(E) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED**
13 **DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY**
14 **DUTIES OF EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B)**
15 **OF THIS SECTION.**

16 **(F) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL**
17 **ADMINISTER THE FUND.**

18 **(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
19 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**
20 **GOVERNMENT ARTICLE.**

21 **(H) AT THE END OF EACH FISCAL YEAR, ANY UNSPENT AND UNENCUMBERED**
22 **PORTION OF THE FUND IN EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL**
23 **FUND OF THE STATE.**

24 **(I) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE**
25 **GENERAL FUND OF THE STATE.**

26 **2-106.10.**

27 **(A) (1) IN CONSULTATION WITH EACH BOARD SPECIFIED UNDER §**
28 **2-106.9 OF THIS SUBTITLE, THE SECRETARY SHALL ANNUALLY CALCULATE THE**
29 **DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO EACH BOARD.**

30 **(2) EACH BOARD SHALL ESTABLISH FEES BASED ON THE**
31 **CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.**

1 **(3) EXCEPT FOR THE EXAMINATION FEES UNDER § 12-303(2)(I) OF**
2 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, EACH FEE**
3 **ESTABLISHED BY AN INDIVIDUAL BOARD MAY NOT BE INCREASED ANNUALLY BY**
4 **MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF THE BOARD.**

5 **(B) IN ORDER TO ESTABLISH FEES THAT MORE EQUITABLY DISTRIBUTE THE**
6 **COSTS ASSOCIATED WITH THE OPERATION OF EACH BOARD AMONG SIMILAR**
7 **BOARDS, THE SECRETARY MAY AVERAGE THE DIRECT AND INDIRECT COSTS OF ONE**
8 **OR MORE BOARDS PROVIDED THAT THE BOARDS CONSENT TO HAVING THEIR**
9 **DIRECT AND INDIRECT COSTS AVERAGED TOGETHER.**

10 9A-207.

11 (a) [Subject to subsections (b) and (c) of this section, the] **THE** Board may set **BY**
12 **REGULATION** reasonable fees for its services.

13 (b) [Except as provided in subsection (c) of this section, revenues generated by the
14 Board shall be at least equal to expenses incurred by the Board.

15 (c) The Board shall require the following fees for the issuance or renewal of the
16 following licenses:

17 (1) master license – \$75;

18 (2) master restricted license – \$25 for each area licensed;

19 (3) limited license – \$75;

20 (4) journeyman license – \$20; and

21 (5) apprentice license – \$10.

22 (d) The Board shall pay all money collected under this title into the General Fund
23 of the State.]

24 **THE FEES CHARGED SHALL BE:**

25 **(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF**
26 **MAINTAINING THE BOARD; AND**

27 **(2) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY**
28 **UNDER § 2-106.10 OF THIS ARTICLE.**

1 **(C) THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE**
2 **BOARD.**

3 **(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**
4 **TO THE COMPTROLLER.**

5 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**
6 **OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN §**
7 **2-106.9 OF THIS ARTICLE.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title 6,
9 Subtitles 3, 4, and 5; Title 6.5, Subtitles 2 and 3; and Title 12, Subtitles 3 and 5 of the
10 Business Occupations and Professions Article and Title 9A, Subtitle 2 of the Business
11 Regulation Article, respectively, in effect on June 30, 2017, shall remain in full force and
12 effect until the fees authorized to be set by the State Board of Master Electricians, the State
13 Board of Stationary Engineers, the State Board of Plumbing, and the State Board of
14 Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors, respectively, under
15 this Act are adopted and become effective.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2017.