

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 6

(Chair, Education, Health, and Environmental Affairs
 Committee)(By Request - Departmental - Labor,
 Licensing and Regulation)

Education, Health, and Environmental Affairs

Economic Matters

**Occupational and Professional Licensing Boards, Commissions, and Regulatory
 Entities - Notifications of Applicants, Licensees, Registrants, and Permit Holders**

This departmental bill authorizes – but does not require – specified boards, commissions, and other regulatory entities within the Department of Labor, Licensing, and Regulation (DLLR); the Department of State Police (DSP); and the Department of Public Safety and Correctional Services (DPSCS) to send specified credential-related notices electronically instead of by regular mail. Before any regulatory entity specified in the bill may electronically transmit a communication, it must notify the recipient by mail of the pending change from physical to electronic mail and request confirmation of the recipient’s email address.

Fiscal Summary

State Effect: Combined general and special fund expenditures for DLLR decrease by about \$18,800 in FY 2020 and \$25,000 annually thereafter due to reduced postage and supply costs, reflecting a delay from the requirement that notice be mailed first. The effect on DSP general fund expenditures related to licensing is minimal and depends on the extent to which DSP chooses to send electronic notices. DPSCS finances and operations are not materially affected, as the bill pertains to just six licensees regulated by the department. For purposes of this estimate, the required notice is assumed to be sent with the next available renewal notice; reaching all individuals takes approximately two years from the bill’s effective date due to staggered license renewal cycles. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	(9,400)	(12,500)	(12,500)
SF Expenditure	0	0	(9,400)	(12,500)	(12,500)
Net Effect	\$0	\$0	\$18,800	\$25,000	\$25,000

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

Local Effect: None.

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

Analysis

Bill Summary: The boards, commissions, and other regulatory entities authorized to send specified electronic notices (in the order that they appear in the bill) are shown in **Exhibit 1**. Except where otherwise noted, the regulatory entities are within DLLR. The authorized electronic notices generally relate to the issuance or renewal of a license, certificate, or other type of professional credential.

Exhibit 1 Regulatory Entities Authorized to Send Specified Electronic Notices

- Public Accountancy
- Architects
- Barbers
- Cosmetologists
- Electricians
- Stationary Engineers
- Foresters
- Certified Interior Designers
- Landscape Architects
- Pilots
- Plumbers
- Private Detectives (DSP)
- Professional Engineers
- Professional Land Surveyors
- Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors
- Real Estate
- Security System Technicians (DSP)
- Security Guards (DSP)
- Private Home Detention Monitors (DPSCS)
- Individual Tax Preparers
- Cemeteries
- Home Improvement
- Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors
- Secondhand Precious Metal Object Dealers and Pawnbrokers
- Locksmiths
- Elevator Safety

DSP = Department of State Police

DPSCS = Department of Public Safety and Correctional Services

Source: Department of Legislative Services

After the required notice of the pending change from physical to electronic mail, if no response is received within 30 days, the regulatory entity may assume that the email address is valid and send the electronic communication. However, for the regulatory entities in DLLR, if an electronic communication is returned as undeliverable, the regulatory entity must mail the materials to the last known address of the affected individual within 10 business days of receiving the undeliverable notice.

The bill makes other conforming changes to the contents of the notices to reflect the possibility of electronic delivery.

Current Law/Background: DLLR advises that, when many of the licensing statutes were originally written, physical mail was the only means of communicating with licensees. Thus, many provisions of the law use the term “mail” and some provisions use the word “send.” The bill standardizes terms across the affected regulatory entities and expressly authorizes each of them to “mail or electronically transmit” the specified communications. DLLR emails can be sent through an existing database. DLLR further notes that the bill does *not* alter provisions involving charging documents, complaints, claims, or anything related to litigation. DLLR advises that it will continue to mail notices to individuals who do not have access to email. Nearly all health occupation boards are expressly authorized to send electronic notices related to licensure and/or renewal.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, HB 138 ((Chair, Economic Matters Committee) (By Request - Departmental - Labor, Licensing, and Regulation) - Economic Matters) is not identical.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of State Police; Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2017
mm/mcr Third Reader - March 29, 2017
Revised - Amendment(s) - March 29, 2017
Revised - Other - May 11, 2017

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Labor, Licensing and Regulation – Occupational and Professional Licensing Boards – Notifications of Licensees

BILL NUMBER: SB 6/HB 138

PREPARED BY: Victoria L. Wilkins

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

While some licensees are small businesses, the benefits of having communications regarding their licenses emailed rather than mailed are minimal.

Impact on Local Government

This legislation does not impact local government.