

Department of Legislative Services  
 Maryland General Assembly  
 2023 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 993 (Delegate S. Johnson)  
 Economic Matters

**Business Regulation – Professional Power Washers – Registration**

This bill prohibits a person from providing or offering to provide professional power washing services in the State unless the person is registered as a professional power washer with the Maryland Department of Labor (MDL). The bill may not be construed to require registration of employees of a person required to register under the bill. To register, an applicant must submit an application and pay a fee established by MDL. MDL must adopt regulations to implement the bill, including those to establish requirements and procedures for the registration of professional power washers.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$65,600 in FY 2024. Out years reflect annualization, inflation, and termination of one-time costs. General fund revenues increase by an indeterminate but likely minimal amount beginning in FY 2024 from application and registration fees.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
GF Revenue	-	-	-	-	-
GF Expenditure	\$65,600	\$64,200	\$67,000	\$70,100	\$73,800
Net Effect	(\$65,600)	(\$64,200)	(\$67,000)	(\$70,100)	(\$73,800)

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

## Analysis

**Bill Summary:** An applicant for registration must provide specified identifying information, such as the applicant’s name and physical address. Applications must also include proof of workers’ compensation coverage. Registrations must be renewed annually; the renewal fee is also established by MDL. MDL may impose a civil penalty of up to a \$5,000 fine for a violation of the bill.

**Current Law:** There are no provisions in current law related to the regulation of professional power washers. However, MDL regulates more than 26 professions through a system of licensing and regulation. The Maryland Home Improvement Commission (MHIC) in MDL licenses and regulates home improvement contractors and salespersons, subject to specified requirements for licensure and ongoing licensee behavior. MHIC also administers a guaranty fund for the purpose of reimbursing homeowners for actual losses due to the errors and omissions of licensed contractors and their subcontractors, salespersons, and employees.

**State Fiscal Effect:** MDL must develop, implement, administer, and enforce a registration program for professional power washers. To do so effectively includes establishing a registration process and conducting ongoing investigation and enforcement activities. The bill does not establish a new entity (*i.e.*, board or commission) to oversee the registration of power washers, nor does it designate an existing regulatory body (for example, MHIC), to manage the registration of power washers. Therefore, this analysis assumes that general funds are used to administer the registration program and that registration fees are paid to the general fund. If MDL elects to use MHIC or another existing regulatory entity to manage the registration of professional power washers, special funds may be affected instead of general funds.

Therefore, general fund expenditures increase by \$65,567 in fiscal 2024, which accounts for the bill’s October 1, 2023 effective date. This estimate reflects the cost of one administrative aid to oversee the application process and administer the registration of professional power washers. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes \$10,000 in fiscal 2024 to update MDL’s electronic licensing and registration system.

Position	1
Salary and Fringe Benefits	\$48,158
Programming Costs	10,000
Other Operating Expenses	<u>7,409</u>
<b>Total FY 2024 State Expenditures</b>	<b>\$65,567</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

It is unknown how many professional power washers are currently operating in the State; therefore, registration revenue cannot be reliably estimated. MDL anticipates charging a biennial registration fee of \$60.

The penalty provisions of the bill do not have a material effect on State finances or operations.

**Small Business Effect:** Small professional power washing businesses must register with MDL, pay an annual registration fee, and are subject to additional enforcement and civil penalties.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2023  
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