

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 561

(Delegate Watson)

Environment and Transportation

Education, Energy, and the Environment

Tree Expert Licenses - Application and Renewal Fee Alterations and Insurance Requirements

This bill allows the Department of Natural Resources (DNR) to set fees for licensed tree experts that, instead of being limited to the costs of processing an application, may be up to \$45 for an examination, \$55 for initial licensure, and \$100 for license renewal. A related annual report required under current law must also be submitted to the General Assembly. The bill also authorizes DNR to permanently revoke or temporarily suspend a tree expert license if the license holder fails to maintain liability, property, or workers' compensation insurance as required by law. Finally, the bill explicitly authorizes DNR to adopt regulations to implement the statutory provisions related to tree experts.

Fiscal Summary

State Effect: Special fund revenues likely increase minimally – beginning as early as FY 2025 – as DNR advises that it intends to increase fees as a result of the bill, as discussed below. The bill does not require additional expenditures, but DNR advises that it intends to use the additional special fund revenues to partially fund an additional position, as discussed below.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law:

Licensed Tree Experts

State law prohibits a person from engaging in the work or business of a tree expert without a license. “Tree expert” is defined as a person who represents to the public that the person is skilled in the science of tree care or removal and who, whether in the business of the person or as the employee of another person and whether under the title of arborist, tree specialist, tree surgeon, tree expert, or otherwise, engages in the business or work of the treatment, care, or removal of trees taller than 20 feet for compensation by (1) making diagnoses, prescribing, and supervising the treatment for trees or (2) trimming, pruning, thinning, cabling, shaping, removing, or reducing the crown of trees. There are several exclusions, most notably a person engaged in commercial logging or timber operations.

In addition to meeting other requirements, an applicant for an initial or renewal tree expert license must pay to DNR a fee set by the department in regulation, in an amount *not to exceed the costs of processing the application*. Under current regulations, an applicant pays a \$30 fee as part of the examination application for licensure. If the applicant fails an examination, an additional \$20 fee must be paid for each subsequent examination application. Every two years, there is a \$20 fee for license renewal.

Every license must also, within a time period established by DNR, notify the department electronically of the liability and property damage insurance and workers’ compensation insurance carried by any company that engages or works under the tree expert’s license, and any changes to the insurance.

The Secretary of Natural Resources must prepare an annual report on the number of tree expert licenses issued and the related revenues and expenditures during each fiscal year.

Licensee Insurance Requirements

Every licensee must carry and show proof of liability and property damage insurance, in the form and amount required by DNR at the time it issues the license. The licensee must maintain the insurance protection for the period the license is in effect.

Pursuant to § 1-401 of the Natural Resources Article, before a license or permit may be issued under the Natural Resources Article to an employer to engage in an activity in which the employer may employ a covered employee, as defined under the Maryland Workers’ Compensation Act (MWCA), the employer must file with the issuing authority (1) a

certificate of compliance with MWCA or (2) the number of a workers' compensation insurance policy binder. Sole proprietors are not required to be covered by insurance under MWCA.

State Fiscal Effect: DNR advises that it intends to use the authority provided by the bill to increase fees by 30% to 50% from their current levels. Associated fees are deposited in the Forest and Park Reserve Fund. Therefore, special fund revenues increase beginning as early as fiscal 2025 to the extent DNR increases fees through regulation. While the actual special fund revenue increase depends on the fee levels set by DNR through regulation, because there are only approximately 1,200 licensed tree experts, the annual increase in special fund revenues is likely minimal.

Although the bill does not require additional expenditures, DNR advises that it plans to use the additional fee revenues to partially fund a third position responsible for the licensing and regulation of tree experts.

Additional Information

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

Designated Cross File: SB 683 (Senator Hester) - Education, Energy, and the Environment.

Information Source(s): Department of Natural Resources; Department of Legislative Services

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