

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 557

(Delegate Harrison, *et al.*)

Economic Matters

Judicial Proceedings

**Occupational Licensing and Certification - Criminal History - Predetermination
 Review Process**

This bill amends § 1-209 of the Criminal Procedure Article to establish a predetermination review process under which an individual can request specified departments of State government to review the individual’s criminal history to determine whether that criminal history would disqualify the individual from obtaining the occupational license or certificate being sought. The bill requires a department to use existing resources to conduct a criminal history review but also authorizes a department to charge a fee of up to \$100 per criminal history review; the fee must be waived if the individual’s income is at or below 300% of the federal poverty level, as determined by the District Court. The bill imposes a reporting requirement on affected agencies. **The bill takes effect July 1, 2026, and terminates on June 30, 2029.**

Fiscal Summary

State Effect: Special fund expenditures for the Maryland Department of Labor (MD Labor) and the Maryland Department of Agriculture (MDA) increase by \$50,800 in FY 2027, as discussed below. Future years reflect annualization, inflation, and termination of the bill. Additional special fund expenditures (not shown in table) *may* be incurred by affected agencies, as discussed below. The bill has an indeterminate, but overall minimal, effect on special fund revenues, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	(-)/-	(-)/-	(-)/-	\$0	\$0
SF Expenditure	50,800	22,500	23,500	0	0
Net Effect	(\$50,800)	(\$22,500)	(\$23,500)	\$0	\$0

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

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

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Definitions and Exceptions to Application of § 1-209 of the Criminal Procedure Article

Under current law, for purposes of § 1-209, “department” means MDA, the Maryland Department of the Environment (MDE), the Maryland Department of Health (MDH), the Department of Human Services (DHS), MD Labor, or the Department of Public Safety and Correctional Services (DPSCS). “Department” includes any unit of these departments. The bill removes DPSCS from the definition of “department.”

Under current law, § 1-209 in its entirety does not apply to a person who was previously convicted of a crime of violence, as defined in § 14-101 of the Criminal Law Article. The bill establishes that § 1-209 also does not apply to a person who is applying for licensure or license renewal under Title 11, Subtitle 6 of the Financial Institutions Article (mortgage loan originators).

Predetermination Review Process

Under current law and the bill, with the exception of a crime for which registration on the sex offender registry is required, if at least seven years have passed since an applicant completed serving the sentence for a crime, including all imprisonment, mandatory supervision, probation, and parole, and the applicant has not been charged with another crime other than a minor traffic violation during that time, a department may not deny an occupational license or certificate to the applicant solely on the basis that the applicant was previously convicted of the crime.

The bill authorizes an individual to file a request with a department for review of the individual’s criminal history to determine whether that criminal history would disqualify the individual from obtaining the occupational license or certificate being sought. This predetermination must be binding on the department unless there is a subsequent direct and material adverse change to the individual’s criminal history.

If, during this predetermination process, a department determines that an occupational license or certificate would be denied to the individual, the department must provide an explanation to the individual, as specified. An individual may submit a revised request for

a predetermination to the department if one year has passed since the individual received the initial predetermination or there is a material change to the individual's criminal history.

Policy of the State and Other Provisions

The remaining provisions of § 1-209 remain unchanged by the bill. Those provisions express the policy of the State to encourage the employment of nonviolent ex-offenders and remove barriers to their ability to demonstrate fitness for occupational licenses or certifications required by the State. A department may not deny an occupational license or certificate to an applicant solely on the basis that the applicant has previously been convicted of a crime, unless the department determines that (1) there is a direct relationship between the applicant's previous conviction and the specific occupational license or certificate sought or (2) the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public.

In making this determination, the department must consider (1) the aforementioned State policy; (2) the specific duties and responsibilities required of a licensee or certificate holder; (3) whether the applicant's previous conviction has any impact on the applicant's fitness or ability to perform the duties and responsibilities authorized by the license or certificate; (4) the age of the applicant at the time of the conviction and the amount of time that has elapsed since the conviction; (5) the seriousness of the offense for which the applicant was convicted; (6) other information provided by the applicant or on the applicant's behalf with regard to the applicant's rehabilitation and good conduct; and (7) the legitimate interest of the department in protecting property and the safety and welfare of specific individuals or the general public.

Disclaimer

Under the bill, nothing in § 1-209 may be construed to (1) override, supersede, or invalidate any compact or agreement already in place with regard to the regulation of any profession or occupation by a department or (2) supersede the authority of a department to require an applicant or a licensee to submit to a criminal history records review in accordance with the bill's provisions.

Reporting Requirements

On or before October 1, 2028, MDA, MDE, MDH, DHS, and MD Labor must each report to the Senate Finance Committee and the House Economic Matters Committee on implementation of the bill, including the number of predetermination requests conducted and the costs associated with implementation.

State Fiscal Effect: The bill includes a requirement for departments to use existing resources to conduct criminal history (predetermination) reviews. However, certain agencies, particularly those with a higher volume of licensees, may not be able to appropriately implement the bill (*i.e.*, provide predetermination reviews in a timely manner without negatively affecting other operations) unless additional resources are provided. Thus, this analysis reflects increases in State expenditures to implement the bill, as discussed below.

It is unclear which and how many individuals will seek predetermination reviews. The process appears to be aimed at individuals who are interested in pursuing a career path but would like to know if their criminal history prevents them from obtaining professional licensure or certification prior to investing in education or training. The overall effect of predetermination reviews on State special fund revenues is unclear at this time and depends on revenues from background check fees and the bill’s effect on applications for licensing and certification. Should reviews and advice from licensing entities result in otherwise reluctant applicants filing applications, revenues increase; if predetermination reviews discourage individuals from applying for licensing or certification, application fee revenues decrease. This analysis assumes that the implementation costs for affected agencies is likely not fully offset from background check fee revenues.

Maryland Department of Health

Despite the significant number of occupational boards under the purview of MDH, the department does not anticipate a material fiscal or operational impact from the bill.

Maryland Department of Labor

MD Labor special fund personnel expenditures increase by \$30,814 in fiscal 2027. This estimate reflects the cost of hiring one part-time contractual employee to manage administrative functions for the predetermination process (including salary, fringe benefits, one-time start-up costs, and ongoing operating expenses associated with the employee). This estimate does not include potential computer programming costs and legal fees, as have been indicated in prior estimates for similar legislation. Should MD Labor incur those costs during implementation of the bill, special fund expenditures further increase.

Contractual Position	0.5
Salary and Fringe Benefits	\$22,367
Other Operating Expenses	<u>8,447</u>
MD Labor – FY 2027 SF Personnel Expenditures	\$30,814

Future year expenditures reflect a full salary with annual increases, employee turnover, annual increases in ongoing operating expenses, and termination of the contractual position on June 30, 2029.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Maryland Department of Agriculture

Special fund expenditures for the State Board of Veterinary Medical Examiners increase by \$20,000 in fiscal 2027 only for one-time computer programming costs to allow for an online application and fee collection process. MDA does not expect a significant number of review requests.

Other Impacts

DHS, MDE, and DPSCS do not anticipate a fiscal impact from the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see HB 482 of 2025 and HB 175 of 2024.

Designated Cross File: None.

Information Source(s): Maryland Department of Agriculture; Maryland Department of the Environment; Maryland Department of Health; Department of Human Services; Maryland Department of Labor; Department of Public Safety and Correctional Services; Department of Legislative Services

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