

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE
 Revised

House Bill 1476

(Delegate Holmes, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Public Safety - Industrialized Buildings - Exemptions

This bill creates an additional exception to the definition of “industrialized building” for purposes of certification by the Department of Housing and Community Development by exempting any building that is 8 feet or less in width and 40 feet or less in length, and that is used for business purposes, mobile offices, or storage, and not open to the general public. A manufacturer of an exempted building may elect to have DHCD certify the building in order to provide an insignia.

The bill takes effect June 1, 2008.

Fiscal Summary

State Effect: Special fund revenues could decrease by approximately \$27,000 annually due to fewer certification fees being collected by the Department of Housing and Community Development. Expenditures would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
SF Revenue	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)

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

Local Effect: None.

Small Business Effect: Potential minimal, due to the possible exemption of certain building units from inspection and certification fees and regulations.

Analysis

Current Law/Background: The Department of Housing and Community Development is responsible for administering the State's inspection and certification program for industrialized buildings. DHCD may enforce its duties through regulations and by referring violations to the appropriate State's Attorney. Funding for the inspection and certification program is derived from inspection fees set by DHCD.

An industrialized building, formerly known as a "factory-built building," is a building assembly or system of building subassemblies manufactured in its entirety, or in substantial part, off site and transported to a site for installation or erection with or without other specified components, as a finished building or as part of a finished building that comprises two or more industrialized building units. Included within the definition are electrical, plumbing, heating, ventilating, insulation, and other service systems of the building assembly or system of building subassemblies if the service systems are installed at the off site manufacture or assembly point. An industrialized building does not include open frame construction that can be completely inspected on site, or a manufactured home.

State Revenues: DHCD advises that approximately 300 industrialized buildings of the type and size affected by this bill are built in the State each year. Currently, the building owner must pay a fee of \$90 for a certification insignia indicating that the building has been inspected. If certification fees are not collected for the inspection of these buildings, special fund revenues could decrease by approximately \$27,000 on an annualized basis. This special fund loss could decrease slightly if some owners of industrialized buildings decide to voluntarily have their units inspected as authorized under the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 951 (Senators Miller and Dyson) – Education, Health, and Environmental Affairs.

Information Source(s): Frederick County, Montgomery County, Somerset County, Department of Housing and Community Development, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2008
mcp/hlb Revised - House Third Reader - March 27, 2008
Revised - Enrolled Bill - May 5, 2008

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