

January 22, 2020

The Honorable Paul G. Pinsky
Chairman, Senate Education, Health, and Environmental Affairs Committee
Senate Office Building, 2 West
11 Bladen Street
Annapolis, MD 21401

RE: In Opposition of Senate Bill 16 (Business Occupations and Professions - Master Electricians Guaranty Fund - Establishment)

Dear Chairman Pinsky:

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, opposes Senate Bill 16 (Business Occupations and Professions - Master Electricians Guaranty Fund - Establishment).

This measure requires the State Board of Master Electricians to establish and administer a guaranty fund to compensate claimants for alleged violations by state-licensed Master Electricians.

While we appreciate the need for injured parties to be made whole, this fund is unnecessary. Maryland already has similar State guaranty funds administered by regulatory bodies in MDL. Claimants also have access to the civil justice system. An additional avenue for relief is superfluous.

Moreover, this measure will negatively impact housing affordability and increase the cost of homes across the State. Many master electricians own and operate small businesses and would be required to pay the initial and ongoing guaranty fund assessments under the bill. The initial fee is \$20 and the renewal fee is \$25. Absent the initial assessment, the bill adds at least an additional \$100 to the total cost of licensure every two years – potentially up to \$150 per year. Those figures alone can make a difference to the slim bottom line of a small business, but electricians must have licenses issued in each local jurisdiction to provide electrical services in that jurisdiction. Some licensees carry as many as 22 different licenses in order to be able to work statewide.

These costs add up quickly, and the increase will be passed on to contractors who employ electricians. This will increase the cost of projects, making development and construction even more time-consuming and expensive. That, in turn, is passed onto the homebuyer. This is especially impactful for affordable and workforce housing.

The businesses we represent make up the backbone of our local economies, and a healthy building industry contributes to healthy economic development throughout the State. For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Senate Education, Health, and Environmental Affairs Committee Members