

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 586
Economic Matters

(Delegate Wilson)

Public Safety - Solar Photovoltaic Systems - Lockout Tag Requirement

This bill requires each company that leases solar photovoltaic (PV) systems to install a lockout tag at each residential installation at the time of installation. A company that has previously installed a solar PV system on a residential property must provide the customer with a lockout tag with directions on how the lockout tag should be attached. A company that leases solar PV systems is subject to a fine of \$100 to \$500 if the company fails to install or provide a lockout tag as required. The individual who is required to inspect a solar PV system for compliance with applicable code standards must enforce the bill. The local government that performs or oversees the inspection retains any associated penalty revenue. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: Local governments can likely handle the bill's requirements with existing budgeted resources as part of the ongoing permitting and inspection process. The bill's penalty provisions are not anticipated to materially affect local revenues.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: There is no requirement that a solar company install a lockout tag on a solar PV system. As of February 2019, there were about 61,000 solar installations in the State, the vast majority of which are small residential installations, many of which are leased. How many of these installations require a lockout tag to be added under the bill is unknown.

The policing of the electrical profession primarily occurs through locally issued permits and locally conducted inspections. Every county in Maryland has a building permit office, the primary function of which is to issue a permit that gives the right to perform specific work on a designated site or project. The permit office sends an inspector to each ongoing project to ensure that work on the project complies with applicable codes. Noncompliance with established standards is normally addressed between the inspector and the licensed electrician, who is expected to bring the project up to code. If the individual does not remedy the problem, the inspector may report the violation to the applicable licensing board.

Local Fiscal Effect: It is unclear how local government inspectors can verify that existing solar PV systems receive a lockout tag from solar companies, as inspectors are not involved after the project is complete. Going forward, local governments can incorporate the requirement into the existing inspection process as necessary, although there is no guarantee that a lockout tag will remain in place after the inspection is complete. Nevertheless, local governments can likely handle the bill's requirements with existing budgeted resources as part of the ongoing permitting and inspection process. The bill's penalty provisions are not anticipated to materially affect local revenues.

Small Business Effect: There may be some initial costs for some small solar companies to supply lockout tags to customers with existing solar PV systems. The costs depend on whether or not lockout tags were previously installed and the number of existing installations attributable to the company. Going forward, the cost, if any, is anticipated to be negligible.

Additional Information

Prior Introductions: HB 1486 of 2018, a similar bill, passed the House with amendments and received a hearing in the Senate Judicial Proceedings Committee. No further action was taken.

Cross File: None.

Information Source(s): Washington County; Maryland Association of Counties; PJM Environmental Information Services, Inc.; Department of Legislative Services

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sb/lgc

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