

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 811 (Delegate Beitzel, *et al.*)
 Environmental Matters

Environment - Outdoor Wood Burning Furnaces - Requirements

This bill authorizes the use of “outdoor wood burning furnaces” under specified conditions. The bill requires commercial sellers of such furnaces to notify buyers of the bill’s requirements. The bill also includes a provision regarding nuisance claims against owners of existing furnaces.

Fiscal Summary

State Effect: General fund expenditure increase of \$103,800 for the Maryland Department of the Environment (MDE) to enforce the bill. Future year estimates are annualized, adjusted for inflation, and reflect ongoing operating costs. State revenues would not be materially affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	103,800	105,200	110,700	116,500	122,700
Net Effect	(\$103,800)	(\$105,200)	(\$110,700)	(\$116,500)	(\$122,700)

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

Local Effect: The bill would not directly affect local operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: An outdoor wood burning furnace could be used if:

- it is located and operated in accordance with applicable local ordinances;
- it is located at least 200 feet from an occupied dwelling that is not serviced by the outdoor wood burning furnace; and
- the height of the chimney stack is taller than the roof line of the dwelling it serves.

The distance requirement does not apply to a person who owns an outdoor wood burning furnace prior to October 1, 2007.

A person who constructs a new residential dwelling within 200 feet of an existing outdoor wood burning furnace may not bring a claim of nuisance against the owner of the existing furnace.

“Outdoor wood burning furnace” means a freestanding, outdoor residential furnace that consists of a wood burning firebox surrounded by a water reservoir that is vented by a chimney stack and is used to supply heat, hot water, or both to a residential dwelling.

Current Law: MDE has jurisdiction over air emissions and ambient air quality in the State. As such, MDE regulates fuel-burning equipment. The construction and use of outdoor wood burning furnaces are currently prohibited under existing State regulations because wood is a solid fuel. However, the sale of such furnaces is not currently prohibited in the State.

Background: According to the U.S. Environmental Protection Agency, in general, emissions from the combustion of wood in stoves and furnaces contain significant levels of carbon monoxide and fine particulate matter. If atmospheric conditions are conducive to accumulating smog-like clouds of emissions, the wood smoke could pose a health hazard.

Despite the existing prohibition on the use of outdoor wood burning furnaces in Maryland, MDE has been responding to an increase in nuisance complaints from communities about smoke from such furnaces. The furnaces are found mostly in rural areas of Western Maryland where wood and wood waste are available as a primary fuel source. MDE’s Western Maryland field office reported in August 2006 that it had responded to about 25 complaints in the previous 12 months.

State Expenditures: General fund expenditures could increase by an estimated \$103,778 in fiscal 2008, which accounts for the bill’s October 1, 2007 effective date.

This estimate reflects the cost of hiring two inspectors to enforce the bill’s requirements and to respond to citizen complaints. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The need for additional staff is based largely on the assumption that the bill would result in a significant increase in outdoor wood burning furnaces installed in Western Maryland and other areas of the State and that, as more furnaces are installed, additional nuisance situations would arise, requiring additional enforcement activity. Legislative Services notes, however, that, despite the existing prohibition on the use of outdoor wood burning furnaces, people are currently using them illegally and MDE has been responding to nuisance complaints as they arise. To the extent the bill does not result in an increase in nuisance complaints, the need for additional staff may be reduced.

Salaries and Fringe Benefits	\$71,993
Automobile Purchase and Operations	22,500
Other Equipment and Operating Expenses	<u>9,285</u>
Total FY 2008 State Expenditures	\$103,778
Positions	2

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Small Business Effect: Although the construction and use of outdoor wood burning furnaces is currently prohibited, the sale of such furnaces is not prohibited. By authorizing the use of outdoor wood burning furnaces under specified conditions, however, it is assumed that the bill could have a positive impact on small businesses that sell and install such furnaces. Small businesses that sell wood could also benefit to the extent the bill results in an increase in the demand for wood.

Additional Information

Prior Introductions: None.

Cross File: SB 694 (Senator Edwards, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of the Environment, City of Laurel, U.S. Environmental Protection Agency, Department of Legislative Services

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