

MARYLAND REGISTER

Proposed Action on Regulations

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2. COMAR Codification

Title Subtitle Chapter Regulation

26 06 01 07

3. Name of Promulgating Authority

Department of the Environment

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Title 26
DEPARTMENT OF THE ENVIRONMENT
Subtitle 06 WATERWORKS AND WASTE SYSTEMS OPERATORS
26.06.01 .07

Authority: Environment Article, Title 12, Annotated Code of Maryland

Notice of Proposed Action

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The Secretary of the Environment proposes to amend Regulation .07 under COMAR 26.06.01 Payment of Fees.
This action was considered

Statement of Purpose

The purpose of this action is to reduce the fees assessed by the Board of Waterworks and Waste Systems Operators for items and services provided. The Safe Drinking Water Act requires the State to maintain an operator certification program for public water system operators.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The proposed regulatory changes to the Waterworks and Waste Systems Operators – General Regulations will have a direct economic impact on the General Fund of the State, local governments, and regulated industries. The proposed changes will require waterworks and waste systems operators to pay reduced examination, application, renewal and reciprocity fees.

This action is being taken in response to the regulatory reform effort in the State of Maryland. The proposed regulations will decrease the examination, application and renewal fee for the first certificate from \$100 to \$50. The renewal fee for each additional certificate will also be reduced from \$100 to \$50, and the cap an individual will pay is reduced from \$200 to \$100. The reciprocity fee is reduced from \$200 to \$150.

II. Types of Economic Impact.	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(R-)		None
B. On other State agencies:	(R+)		\$15,000

C. On local governments:	(R+)	\$35,000
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Benefit (+) Cost (-)	Magnitude
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D. On regulated industries or trade groups:	(+)	\$80,000
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E. On other industries or trade groups:	(+)	\$600
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NONE

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. Assumes a negative revenue for the General Fund of the State based on the decreased annual certification fees required in the proposed regulations. The decrease in annual certification fees will result in an estimated reduction of \$130,600 per year once the final regulations are in effect.

SUMMARY OF ACTIVE CERTIFICATES

Category	Operator	Superintendent	Temporary	Total
Wastewater Collection	536	54	416	1006
Water Distribution	522	42	446	1010
Water Treatment	1215	217	666	2096
Industrial Wastewater	442	47	284	772
Wastewater Treatment	2072	417	1031	3520
Total	4787	777	2845	8409

Source: Board of Waterworks and Waste Systems Operators (May 2015)

Revenues from the Board’s certification and examination fees vary from year to year based on the number of new licenses issued and the renewal cycles for existing licensees, below are the revenues collected for the past three (3) fiscal years.

- FY2015: \$321,599
- FY2014: \$214,221
- FY2013: \$220,315

B. Assumes the State agencies operate approximately 12% of the waterworks and waste system facilities statewide.

C. Assumes the local government agencies operate approximately 28% of the waterworks and waste system facilities statewide.

D. Assumes a positive revenue to industry trade groups based on the decreased certification fees. Private businesses own and operate approximately 60% of the waterworks and waste systems facilities

E(). Individuals who are licensed outside of the State may receive licensure by MDE by virtue of reciprocity. The Department issues approximately 12 reciprocity licenses per year.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

The reduction of the examination, application, renewal and reciprocity fees assessed by the Board of Waterworks and Waste System Operators will have a positive economic benefit to the businesses who must obtain these licenses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Christine Nagle, Board of Waterworks and Waste System Operators, Maryland Department of the Environment, Water Management Administration, 1800 Washington Blvd., Baltimore, MD 21230, or call 410-537-3584, or email to christine.nagle@maryland.gov, or fax to 410-537-3157. Comments will be accepted through July 25, 2016. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2017

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Yes, funding for staff is provided by General Funds. The fees collected under this section go the General Fund

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?

The primary beneficiaries are businesses.

1b. Intended Beneficiaries: Households. If households are the primary intended

beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

N/A

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities. How will businesses be impacted? Are these Maryland establishments disproportionately small businesses? If so, how will these Maryland small businesses be affected? Can you identify or estimate the present number of small businesses affected? Can you estimate the present total payroll or total employment of small businesses affected?

Waterworks and Waste System Operators

How will businesses be impacted?

The proposed changes will require waterworks and waste systems operators to pay a reduced examination, application, renewal, and reciprocity fees. State and local government agencies operate approximately 40% of the waterworks and waste system facilities statewide. Private businesses own and operate approximately 60% of the waterworks and waste system facilities. State and local agencies will see a benefit of approximately \$50,000 and private businesses will see a benefit of approximately \$80,000, and \$600 for those acquiring a reciprocity license.

Are these Maryland establishments' disproportionately small businesses? No, they are composed of state and local governments and private businesses.

If so, how will these Maryland small businesses be affected? N/A

Can you identify or estimate the present number of small businesses affected?

SUMMARY OF ACTIVE CERTIFICATES

Category Operator Superintendent Temporary Total

Wastewater Collection 536 54 416 1006

Water Distribution 522 42 446 1010

Water Treatment 1215 217 666 2096

Industrial Wastewater 442 47 284 772

Wastewater Treatment 2072 417 1031 3520

Total 4787 777 2845 8409

Source: Board of Waterworks and Waste Systems Operators (May 2015)

Can you estimate the present total payroll or total employment of small businesses affected? No

2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply? Describe how Maryland establishments may be adversely affected. Will Maryland small businesses bear a disproportionate financial burden or suffer consequences that affect their ability to compete? Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

N/A

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative? Will Maryland small businesses share proportionately or disproportionately in these gains? (See above)
Can you estimate the possible number of Maryland small businesses positively affected? This initiative will only affect Maryland state and local governments and businesses. (See above)

3. Long-Term Impacts. There are instances where the longer run economic impact effect from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

N/A

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

N/A

Title 26 DEPARTMENT OF THE ENVIRONMENT

Subtitle 06 WATERWORKS AND WASTE SYSTEMS OPERATORS

Chapter 01 General Regulations

Authority: Environment Article, Title 12, Annotated Code of Maryland

.07 Payment of Fees.

A. – C. (text unchanged)

D. Except as provided in §F of this regulation, the following fees are established by the Board for items and services provided under this chapter:

Types of Certificates(Currency unit - U.S. dollars)				
Service	Operator	Temporary	Superintendent	Grandparented
Examination fee	[\$100] \$50	N/A	N/A	N/A
Fee to retake an exam	\$100	\$100	N/A	N/A
Reciprocity	[\$200] \$150	N/A	N/A	N/A
Late Renewal Fee (in addition to standard renewal fees)	\$100	\$100	\$100	\$100
Reinstatement Fee (in addition to standard renewal fees)	\$150	N/A	N/A	N/A
Replace certificate	\$25	\$25	\$25	\$25
Replace renewal card	\$15	\$15	\$15	\$15
Fee for initial certification	[\$100] \$50	[\$100] \$50	[\$100] \$50	N/A
Name/address change	No charge for any name/address change			

E. The renewal fee paid by an individual shall be based upon the types and categories of certificates held by that individual. The renewal fee for a 3-year period shall be [\$100] \$50 per certification category and type.

Types of Certificates (Currency unit - U.S. dollars)				
Certification Categories	Operator	Temporary	Superintendent	Grandparented
Wastewater	[\$100] \$50	[\$100] \$50	[\$100] \$50	N/A
Water treatment	[\$100] \$50	[\$100] \$50	[\$100] \$50	[\$100] \$50
Industrial wastewater	[\$100] \$50	[\$100] \$50	[\$100] \$50	N/A

Wastewater collection	[\$100] \$50	[\$100] \$50	[\$100] \$50	N/A
Water distribution	[\$100] \$50	[\$100] \$50	[\$100] \$50	[\$100] \$50

F. The maximum fee for the renewal of all certificates held by an individual shall be [\$200] \$100 if the certificates are renewed at the same time. This does not include any late renewal fees, reinstatement fee, computer-based examination fees charged by the testing facility, or examination fees that may be applicable. The maximum late renewal fee assessed for an operator with multiple certificates shall be [\$200] \$100.

G. (text unchanged)