

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1433 (Delegate Guns, et al.)
Environmental Matters

Referred to Judicial Proceedings

Lead Poisoning Prevention - Fees - Community Outreach and Education

This amended bill extends the \$5 annual fee for a rental dwelling unit built after 1949 that is not an affected property under the Lead Poisoning Prevention Program from December 31, 1999 to December 31, 2000. It alters the requirement that at least \$750,000 be set aside for community outreach and education by providing that 50% of registration fees, up to a maximum of \$750,000, be dedicated to community outreach and education in fiscal 1996 and 1997. Over the next three years, in addition to the \$750,000 that must be set aside for these purposes, the Maryland Department of the Environment (MDE) must make up the difference between \$1.5 million and the amount dedicated in fiscal 1996 and 1997.

An owner of an affected property who paid a registration fee in calendar year 1994 or 1995 may not be required to pay a fee in calendar 1996 (or 1997 if the 1996 fee has already been paid).

The bill is effective June 1, 1996.

Fiscal Summary

State Effect: Indeterminate decrease in revenues in FY 1997 and 1998; indeterminate increase in revenues in FY 2001. Overall expenditures would not be affected.

Local Effect: Potential minimal effect on revenues and expenditures.

Fiscal Analysis

Background: Chapter 411 of 1994 established the Lead Paint Poisoning Prevention Program. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties and limited compensation of children poisoned by lead. The program also provides increased public health intervention. The program receives funding from property registration fees: \$10 annually for dwellings built before 1950 and \$5 annually for non-affected properties built after 1949. Although the program was due to begin in October 1994, controversy over MDE's proposed regulations delayed full implementation of the program until February 1996.

State Effect: The original fiscal estimate for program registrations projected fee revenues of \$3.3 million; however, MDE currently projects receiving \$1.6 million for the December 1996 billing cycle (fiscal 1997). This is based on actual fee collections of \$1.1 million in 1995 with an additional \$500,000 that has been received in 1996 due to reminder letters. Crediting fees paid in 1994 or 1995 to the December 1996 billing cycle could significantly decrease the amount of special fund revenues received in fiscal 1997.

Extending the \$5 fee to fiscal 2001 would result in an indeterminate increase in special fund revenues for that year. However, MDE was not able to provide any information on the number of properties that would be affected by this extension.

Adjusting the funding amounts used for outreach and education will result in a reallocation of funds, but will not affect overall expenditures. The amounts provided for this purpose in each year will affect the amount spent on inspections and other tasks.

Local Effect: Community outreach and education programs can be provided by local governments. To the extent that local governments would apply to undertake these programs and would receive funding through MDE, local revenues and expenditures would be affected by the amount of funds available for this purpose. However, the overall effect of this bill should be minimal, since any decreases in funding for fiscal 1996 and 1997 would be made up in the next three years.

Information Source(s): Maryland Department of the Environment, Department of Fiscal Services

Fiscal Note History: First Reader - March 6, 1996

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