

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 206 (Chairman, Environmental Matters Committee)
(Departmental - Environment)
Environmental Matters

Asbestos Control - Revisions to Accreditation Plan

This bill extends accreditation requirements to persons who perform asbestos-related activities in public and commercial buildings. It deletes an obsolete method of accreditation for asbestos-related activities.

Fiscal Summary

State Effect: Potential indeterminate increase in revenues; expenditures would not be affected.

Local Effect: Potential increase in expenditures; revenues would not be affected.

Small Business Effect: The Department of the Environment has determined that this bill has a meaningful impact on small business (attached). Fiscal Services concurs with this assessment as discussed below.

Fiscal Analysis

State Effect: The bill brings the Maryland Department of the Environment's (MDE) Model Accreditation Plan (MAP) into conformance with changes in federal regulations which took effect in April 1994. MDE reports that this compliance will preserve the department's ability to secure federal grant funding for asbestos-related activities. Although these grants have totaled approximately \$400,000 over the past four years, the Department of Fiscal Services (DFS) notes that future federal grants could be greatly reduced or nonexistent.

The federal requirements are a benchmark for an asbestos reciprocity agreement with Delaware, Pennsylvania, Virginia, the District of Columbia, and West Virginia. The

reciprocity agreement provides that asbestos training approved by one state is acceptable to other states; Maryland must meet the federal requirements for Maryland accredited asbestos contractors to work in these other states.

Because Maryland has not received approval for its MAP plan, the State has not been able to accept applications from new training providers for asbestos courses. Currently, any new providers must apply in another state. There are currently 27 approved training providers in Maryland; these have been “grandfathered” in since October 1994 when MDE stopped accepting applications. This legislation would enable MDE to once again accept new applications. MDE estimates that it could receive applications from 15 new providers in fiscal 1997; if these providers applied for the maximum number of courses this would generate \$30,000 in fees (\$300 per initial course and \$100 per refresher course). In subsequent years providers would need to apply for reapproval, generating \$15,000 from these same 15 providers. DFS cannot verify these amounts. Thus, the number of providers and fees generated could differ significantly from this estimate.

The accreditation provisions should not result in any increased expenditures to the State. Currently, the Department of General Services has two employees in this area who are already certified.

Local Effect: Many local governments already use accredited contractors for this work or have an accredited employee on staff. However, Allegany County reports that the accreditation requirement would cost the county an additional \$5,000 to obtain the services of accredited individuals and/or train existing staff.

Small Business Effect: While this legislation could have a positive impact on asbestos training providers as discussed in MDE’s analysis, potentially it could have a negative effect on landowners. To the extent that owners of commercial properties are not currently using the services of accredited workers or contractors, this accreditation requirement could increase their expenses on asbestos work. However, many such landowners already follow these practices due to liability and insurance considerations.

Information Source(s): Maryland Department of the Environment; Department of General Services; College Park; Brentwood; Baltimore City; City of Rockville; Allegany, Wicomico, and Montgomery counties; Department of Fiscal Services

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