

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 668 (Senator Collins)
Economic and Environmental Affairs

Maryland Oil Disaster Containment, Clean-Up and Contingency Fund

This bill requires that the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund be used:

- °to provide for cost-effective cleanup of soil and groundwater;
- °to provide for cleanup actions that limit the State's liability; and
- °for practices that ensure the destruction of oil (if available), and to the extent practicable, the elimination of future State liability.

Fiscal Summary

State Effect: Indeterminate effect on expenditures. Revenues would not be affected.

Local Effect: None.

Fiscal Analysis

State Effect: The bill requires the Maryland Department of the Environment (MDE) to use cost-effective methods of cleanup that limit future State liability when using the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund. The bill, however, does not specify any particular cleanup techniques or methods. To the extent that it is determined that current MDE cleanup practices do not meet these standards, State expenditures could be affected. Cleanup standards that better ensure the destruction of oil and prevent future liability could feasibly be significantly more expensive; however, if alternative cleanup standards exist that are more cost-effective, expenditures could be reduced. In addition, to the extent that adopting certain cleanup practices reduces future State liability, future litigation costs could potentially decrease.

It is assumed that these restrictions of the use of the fund would not affect MDE's ability to

use the fund for the operating expenses of the program. However, if such a strict interpretation is applied, special fund expenditures could potentially decrease significantly, with a commensurate increase in general fund expenditures.

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

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Analysis by: Kim E. Wells
Reviewed by: John Rixey
(410) 841-3710
(301) 858-3710

Direct Inquiries to:
John Rixey, Coordinating Analyst