

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1035 (Delegate Guns)
Environmental Matters

Ozone Transport Assessment Group - Recommendations Requirements

This bill prohibits the Maryland Department of the Environment (MDE) from adopting any rule or regulation based on a recommendation from the Ozone Transport Assessment Group (OTAG) unless the General Assembly authorizes this change through statute.

Fiscal Summary

State Effect: Potential indeterminate decrease in expenditures; potential decrease in federal fund revenues.

Local Effect: Potential indeterminate decrease in local revenues and expenditures.

Small Business Effect: Potential meaningful impact on small businesses.

Fiscal Analysis

State Effect: The Ozone Transport Assessment Group (OTAG), established by the Environmental Protection Agency (EPA), is comprised of State and federal air quality officials. OTAG is scheduled to make recommendations in 1997 to EPA on ozone control strategies for national and regional controls.

Any effect the bill may have on State finances cannot be reliably estimated at this time because the effect depends upon the recommendations of OTAG and whether the General Assembly authorizes any change in State ozone controls recommended. Should the General Assembly not approve any recommendations proposed by OTAG, State expenditures could decrease through not enacting costly environmental pollution measures. A delay in approval could also lead to short-term savings. However, should the Environmental Protection Agency (EPA) develop federal rules based on OTAG's recommendations, the State could be

out of compliance with federal requirements if the General Assembly does not approve the changes. This could lead to a decrease in federal fund revenues, some of which may be forfeit due to the State not adopting the federal guidelines. In addition, other sanctions could be placed on the State by EPA. These sanctions could prohibit certain industrial development in the State.

Local Effect: Local jurisdictions could potentially see a decrease in expenditures should they not be required to follow new State requirements under this bill. However, any local jurisdiction that directly benefits from federal funding that could be forfeit under this legislation could realize a decrease in revenues.

Small Business Effect: To the extent that small businesses are affected by MDE rules and regulations, they could be impacted under this legislation. In the short term, these businesses could see a significant decrease in costs associated with environmental requirements should certain OTAG recommendations not be enacted through statute. On the other hand, disparate State and federal regulations could cause difficulties for these businesses. Any EPA sanctions could cause a business to lose potential revenues or expend funds. In addition, should any small businesses directly benefit from federal funding that could be forfeit under this legislation, these businesses could be negatively impacted.

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

Fiscal Note History: First Reader - February 10, 1997
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