

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1068 (Delegate Guns, *et al.*)
Economic Matters

Referred to Judicial Proceedings

Lead Paint - Rent Escrow Law

This amended bill allows a renter to place rent in escrow if a landlord does not comply with the applicable risk reduction standards required under the Lead Poisoning Prevention Program within a certain period of time after receiving notice of the presence of lead-based paint.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

Small Business Effect: Minimal impact on small businesses as discussed below.

Fiscal Analysis

State Effect: The Office of the Chief Clerk of the District Court reports that there are an insignificant number of escrow accounts established attributable to lead paint each year; therefore, any decrease in the District Court's workload would not materially affect State finances.

Small Business Effect: Under current law, tenants are able to put rent funds in escrow if a landlord does not remove or eliminate lead-based paint from the resident's dwelling (interior, exterior, or other surface that is easily accessible to a child). Landlords will not have to meet full abatement standards under the bill, but must comply with risk reduction standards. However, as discussed above, the number of such cases each year is minimal; therefore, not many landowners would be directly affected. There are an estimated 25,000 to 30,000 properties, which are assumed to comprise about 200,000 units, in MDE's registry of

“affected properties”. It should be noted that a large number of properties that could potentially be affected are not currently registered.

Any decrease in the number of lead abatements conducted would affect those businesses in the cleanup industry. There are 118 certified lead paint inspectors, 219 certified abatement contractors, and 11 certified training inspectors in the State, almost all of which are small businesses.

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

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