

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 9 (Delegate Taylor, *et al.*)

Environmental Matters

Referred to Economic and Environmental Affairs

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**Review of License and Permit Applications -  
Timing of Review by the Department of the Environment**

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This amended bill requires the Maryland Department of the Environment (MDE) to publish expected review times for each license and permit applicant by January 1, 1998 and annually thereafter. MDE must offer assistance and specified information to applicants by January 1, 1998.

For certain permits, MDE must provide a notice of completed application which, upon request, includes an estimated time for the issuance of the tentative determination. If MDE fails to issue the tentative determination within this estimated time, it must refund part or all of the application fee so long as the delay was not the result of procedures or requirements outside the control of MDE. The applicant must apply for the refund within 60 days after the estimated time given by the department. If the refund request is denied, MDE must provide a written explanation of the denial within 60 days.

MDE must submit a report to the House Environmental Matters Committee and the Senate Economic and Environmental Affairs Committee by November 1, 1998 on its activities to streamline and improve the licensing and permitting process.

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**Fiscal Summary**

**State Effect:** Potential minimal decrease in special fund revenues; potential indeterminate increase in general fund revenues. Expenditures would not be affected.

**Local Effect:** Potential indeterminate increase in revenues. Expenditures would not be affected.

**Small Business Effect:** Potential meaningful impact on small businesses as discussed below.

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## **Fiscal Analysis**

**Background:** MDE has identified 73 types of permits, licenses, certificates, and approvals needed for activities impacting the natural resources of the State. Three administrative units within the department (Air and Radiation Management, Waste Management, and Water Management) process and issue the various permits. For permits subject to public hearing requirements, the permit process involves five steps: application receipt, informational meetings, tentative determination, public hearing, and final determination. Should a contested case hearing be requested, three additional steps are added to the process.

Due to previous discontent with the permitting process, MDE instituted the Environmental Permit Service Center in 1994.

**State Effect:** Administrative expenditures on permitting procedures would not be affected by this bill as the fiscal 1998 budget allowance contains sufficient resources to handle these requirements. It is assumed that applicants would not be able to appeal refund decisions to the Office of Administrative Hearings.

If MDE does not meet the estimated completion time given for permits, special fund revenues would decrease by the amount of the application fee refunds. However, MDE reports that it expects few refunds to be necessary under the provisions of this bill. Therefore, any such revenue loss is expected to be minimal.

To the extent that this legislation spurs economic and employment development, State tax revenues could increase.

**Local Revenues:** To the extent that this legislation spurs economic and employment development, local tax revenues could increase.

**Small Business Effect:** Small businesses that apply for environmental permits could benefit from the informational assistance and time-frame provisions of this bill. These businesses would have access to better information on the timing of permit decisions, thus enabling them to make more informed business decisions. Any additional assistance that would be provided to businesses by MDE as a result of this bill could cut business costs, by potentially negating the need to hire a consultant to fill out permit applications and assuring that applications are completed correctly.

Small businesses could also benefit from any application fee refunds that are provided in the bill. However, MDE advises small businesses usually hold less complex permits which are not subject to the Administrative Procedures Act (these are the permits for which refunds may be made under the bill).

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**Information Source(s):** Maryland Department of the Environment, Office of Administrative Hearings, Department of Fiscal Services

**Fiscal Note History:** First Reader - March 3, 1997  
lc Revised - House Third Reader - March 19, 1997

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