

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 977 (Delegate Brinklev)

Environmental Matters

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**Lead Hazard Reduction - Historic District Property**

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This bill exempts property that is located in a locally designated historic district from the provisions of law pertaining to the reduction of lead risk in housing.

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**Fiscal Summary**

**State Effect:** Potential indeterminate decrease in the Maryland Department of the Environment (MDE) special fund revenue. No effect on expenditures.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Fiscal Analysis**

**State Effect:** There are an estimated 25,000-30,000 properties, which are assumed to comprise about 200,000 units, in MDE's registry of "affected properties". The Department of Housing and Community Development reports that, based on 1995 data, there are 38 historic districts containing approximately 19,500 properties in the State. The bill would exempt owners of rental properties in locally designated historic districts from paying the \$10 rental registration fee for each residential rental property required under the Lead Poisoning Prevention Program. However, MDE has no record of the number of rental properties that are located in historic districts. Therefore, a reliable estimate of the revenue loss cannot be made at this time.

Medicaid managed care organizations (MCOs) could incur increased expenditures for families whose children could suffer from lead poisoning as a result of this property being exempted. It is unknown how many families, if any, this could apply to. Any such increase in health care services provided by Medicaid MCOs is assumed to be minimal and would not affect the capitation rates paid by the State to Medicaid MCOs.

**Small Business Effect:** Small business landlords could be impacted by the bill. These landlords would no longer be required to pay MDE the \$10 registration fee and perform lead reduction procedures. However, they could also face increased liability and be subject to lawsuits because they would no longer be covered by the liability protection available under current law.

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**Information Source(s):** Maryland Department of the Environment, Department of Health and Mental Hygiene (Community and Public Health Administration), Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 1998

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