

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 799 (Delegate McHale)

Environmental Matters

Small Business Pollution Compliance Loan Fund - Administrative Costs

This bill increases the amount of money in the Small Business Pollution Compliance Loan Fund that may be used for the costs of administering the fund from 3% to 15%.

This bill takes effect July 1, 1999.

Fiscal Summary

State Effect: Potential special fund expenditure increase associated with administering the loan fund. The proposed FY 2000 budget includes \$750,000 for the fund.

Local Effect: None.

Small Business Effect: Potential meaningful.

Fiscal Analysis

Background: Chapter 545 of 1998 (HB 1168) established the Small Business Pollution Compliance Loan Fund within the Maryland Department of the Environment (MDE). The purpose of the fund is to provide loans to small businesses for the upgrade and replacement of capital equipment necessary for compliance with air emission standards. This includes the purchase and installation of air pollution control equipment and the purchase and installation of equipment to make operational changes and modify production practices related to air pollution control. A small business is defined as an enterprise that employs 25 or fewer full-time employees. MDE is required to adopt regulations to administer the fund and to establish loan eligibility criteria. A single loan may not exceed \$50,000 and aggregate loans to a single applicant for a one-year period may not exceed \$100,000 unless the Secretary of the

Environment determines that extraordinary circumstances exist.

The fund goes into effect July 1, 1999.

State Effect: The bill increases the amount of money in the fund that may be spent on administrative costs from 3% to 15%. The Governor's proposed fiscal 2000 budget includes \$750,000 for the fund. As a result of the bill, \$112,500 could be spent on administrative costs, as opposed to \$22,500 that can be spent on administrative costs under current law.

Small Business Effect: Increasing the amount of money that may be spent on administrative cost will decrease the amount of funds available to small businesses seeking loans from the fund.

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

Fiscal Note History: First Reader - February 25, 1999

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Analysis by: Mike Sanelli

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510