

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 895 (Senator Collins)

Economic and Environmental Affairs

Well Drillers - Restricted Licenses - Hydro-Fracturers

This bill establishes a new category of restricted licenses for “hydro-fracturers” under the State Board of Well Drillers. A hydro-fracturer is defined as an individual who practices the technique of stimulating a bore well by a controlled injection of high pressure potable water to increase the bore hole yield.

Fiscal Summary

State Effect: Potential minimal increase in revenues from any fees collected pursuant to the new restricted license. No effect on expenditures.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The holder of a well driller license may engage in all activities that constitute the practice of well drilling, including all activities permitted under any restricted license. There are three categories of restricted licenses: (1) water conditioner installer; (2) water pump installer; and (3) well rig operator. To qualify for a license, an applicant must meet any reasonable qualifications or requirements that the board establishes, submit an application, and pay an application fee set by the board. The board requires that applicants pass an examination, meet specified experience requirements, post performance bonds, and have insurance. The current application fee is \$50. License fees range from \$50 to \$150.

Background: Hydro-fracturing of hard rock wells is a technique that has been used by the well-drilling industry for decades in order to increase well yields. However, it has only recently become common in Maryland. Based on well completion reports, approximately 2%

of water supply wells are hydro-fractured in Baltimore County, 3% in Howard County, and 7% in Montgomery County.

State Fiscal Effect: Hydro-fracturers in Maryland are licensed as well drillers. Because the well driller license already authorizes hydro-fracturing, the State Board of Well Drillers does not anticipate that any Maryland hydro-fracturers would apply for the restricted license. The board only knows of one company, based in Massachusetts, that would likely apply for such a restricted license. Legislative Services advises that if that company, or any other entity that is not currently licensed by the board, applies for a restricted license, revenues would increase. Based on current application and license fees, it is estimated that revenues could increase by \$200 per license.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment (State Board of Well Drillers), Department of Legislative Services

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