

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 270

(Delegates Morhaim and Hubbard)

Environmental Matters

Environment - Office of People's Environmental Counsel

This bill establishes an Office of People's Environmental Counsel to: (1) investigate complaints by citizens concerning the Maryland Department of the Environment's (MDE) enforcement of laws; (2) initiate administrative or legal proceedings with MDE or courts to resolve those complaints; and (3) conduct investigations and request that MDE initiate administrative or legal proceedings as necessary to protect the interests of citizens. The People's Environmental Counsel must be appointed by the Governor with the advice and consent of the Senate and is entitled to a salary as provided in the State budget. The State budget shall provide sufficient money for the counsel to hire necessary staff to meet the requirements of the bill.

Fiscal Summary

State Effect: General fund expenditure increase of at least \$295,500 in FY 2002 to establish the office. Future year estimates are annualized, adjusted for inflation, and reflect ongoing operating costs. Potential increase in general/special fund revenues and expenditures related to additional actions taken by MDE.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF/SF Rev.	-	-	-	-	-
GF Expenditure	295,500	338,900	355,900	374,000	393,400
GF/SF Exp.	-	-	-	-	-
Net Effect	(\$295,500)	(\$338,900)	(\$355,900)	(\$374,000)	(\$393,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Potential increase in local expenditures.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: If the counsel determines that the interests of the citizens of the State are affected, the counsel may appear before MDE and any courts on behalf of the citizens of the State in any matter or proceeding over which MDE has primary enforcement and permitting responsibility. The counsel may recommend to the General Assembly legislation on any matter related to MDE's jurisdiction. The bill provides that the counsel will have full access to MDE's records and the benefit of all other facilities or information of MDE.

Current Law: None applicable.

Background: Currently, there is not a consumer advocacy agency in Maryland that deals specifically with environmental issues. However, in 1924, the Office of People's Counsel (OPC) was established to evaluate all matters pending before the Maryland Public Service Commission to determine if they affect the interests of residential utility customers. The Governor's proposed budget for fiscal 2002 includes approximately \$2.5 million in general funds for the OPC.

State Fiscal Effect: General fund expenditures could increase by an estimated \$295,500 in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate reflects the cost of hiring one attorney, three environmental compliance specialists, one office secretary, and one administrator. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses including contractual services for analyses to support investigations. The information and assumptions used in calculating the estimate are stated below:

- the office will be an independent agency in the Executive Branch;
- employee travel; and
- vehicle purchase.

Salaries and Fringe Benefits	\$221,100
Automobile Purchases and Operations	23,800
Equipment	27,400
Contractual Services	11,300
Other Operating Expenses	<u>11,900</u>
Total FY 2002 State Expenditures	\$295,500

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Any increase in the District Court's workload is not expected to materially affect the Judiciary's finances. To the extent that the bill results in an increase in the number of actions taken by MDE, general/special fund revenues and expenditures could increase.

The Department of Legislative Services advises that the number and complexity of complaints that will be made to the counsel cannot be predicted at this time. Costs would increase to the extent that additional staff are needed to effectively investigate complaints by citizens and initiate necessary actions. For purposes of comparison, the OPC has 18 authorized positions and one contractual position.

Local Fiscal Effect: Any increased workload for the circuit court is not expected to materially affect the Judiciary's finances. Local jurisdictions are regulated by MDE and could be subject to actions taken by the office. Any such actions and their associated costs cannot be predicted at this time.

Small Business Effect: To the extent that the bill results in additional actions taken against small businesses regulated by MDE, the bill could have a significant impact on those entities. On the other hand, an action initiated as a result of the bill could potentially benefit small businesses in some cases.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Governor's Office, Maryland Department of the Environment, Department of Legislative Services

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