

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 1066 Delegate Stull, et al.)

Environmental Matters

Economic and Environmental Affairs

Soil Conservation Districts - Sediment and Erosion Control - Inspection Fees

This bill provides that the Maryland Department of the Environment (MDE), by contractual agreement, may authorize a soil conservation district to inspect sites for compliance with approved sediment control plans. A district may establish a fee system providing for the assessment and collection of inspection fees on all sites in the district with approved plans. The fees must be based on the reasonably anticipated cost of inspections to be performed under the contractual agreement. MDE may not authorize a district to inspect sites over which a county or municipality has been delegated enforcement authority. A district shall not assess and collect fees in a jurisdiction that has been delegated enforcement authority by MDE.

Fiscal Summary

State Effect: Potential minimal decrease in general fund expenditures related to any decrease in the number of inspections performed by MDE. MDE could handle the bill's requirements with existing budgeted resources, as discussed below. Revenues would not be affected.

Local Effect: Potential increase in expenditures for soil conservation districts that choose to enter into agreements with MDE. Potential offsetting increase in revenues if inspection fees are established.

Small Business Effect: Minimal.

Analysis

Current Law: None applicable.

Background: According to the Maryland Association of Soil Conservation Districts, the soil conservation districts in Allegany, Talbot, and Frederick counties are currently involved in a pilot inspection program similar to the one proposed by the bill. Those districts do not currently charge a fee for site inspections.

State Expenditures: MDE advises that it would incur an increase in expenditures of an estimated \$27,600 in fiscal 2003 to hire a contractual employee to track and assemble inspection data from districts. This estimate includes a salary and fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year estimates would be adjusted for inflation and reflect ongoing operating expenses. Legislative Services advises, however, that it is not clear if and when eligible districts would choose to enter into agreements with MDE. According to the Maryland Association of Soil Conservation Districts, of the 12 districts that would be eligible, approximately 8 may choose to participate. However, the timing of any agreements is unclear at this time. Until the need for an additional contractual employee is substantiated, it is assumed that MDE could handle any increase in workload with existing budgeted resources. Should existing resources prove inadequate, MDE may seek additional funding through the annual budget process.

To the extent that any soil conservation districts implement contractual agreements with MDE, MDE would no longer be required to perform inspections in affected local jurisdictions. Accordingly, general fund expenditures would decrease. Any such decrease cannot be estimated at this time, but is not anticipated to be significant.

Local Fiscal Effect: The bill would only apply to soil conservation districts in local jurisdictions that have not been delegated enforcement authority by MDE, including Allegany, Calvert, Caroline, Cecil, Charles, Garrett, Queen Anne's, Somerset, St. Mary's, Talbot, Washington, and Wicomico counties. If a district chooses to enter into a contractual agreement with MDE to inspect construction sites for compliance with sediment control plans, local expenditures would increase. MDE advises that estimated costs for an inspection program would total approximately \$40,000 for each additional inspector hired. The workload will vary by district. Accordingly, the total number of additional inspectors that would need to be hired cannot be estimated at this time. However, because the bill authorizes a district to institute inspection fees to cover the costs of the program, local revenues could increase by an offsetting amount.

Small Business Effect: In areas where districts implement contractual agreements with MDE to conduct inspections, builders and developers would be required to pay any fees established to offset inspection costs. MDE does not currently charge fees for the inspections that it performs. According to the Maryland Association of Soil Conservation Districts, costs will vary by district. Until fee structures are implemented, costs to such entities cannot be precisely estimated. However, any inspection fee, if established, is not anticipated to be significant. Presumably, developers and builders would pass on any costs to the individuals or businesses purchasing the new construction.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture; Maryland Department of the Environment; Anne Arundel, Calvert, Caroline, Montgomery, and Prince George's counties; Town of Thurmont; Maryland Association of Soil Conservation Districts; Department of Legislative Services

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