

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

Senate Bill 778      (Senator Collins)  
Economic and Environmental Affairs

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**Water Wells - Well Rig Operators and Hydrofracturing**

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This bill requires the State Board of Well Drillers to issue a well rig operator license to any applicant who successfully passes the apprentice well driller examination, has at least five years experience practicing well drilling, pays the required fees, and identifies a principal licensee. An applicant to renew a well rig operator license must submit contractual documents showing coverage of bonding and insurance through the principal licensee with each license renewal. Only a licensed well rig operator may perform hydrofracturing. A well rig operator must perform hydrofracturing under the general supervision of a principal licensee, maintaining radio, telephone, or live communication with the principal licensee throughout the hydrofracturing process.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues from any fees collected pursuant to the well rig operator license. The State Board of Well Drillers could handle any increase in workload with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**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. Initial license fees range from \$50 to \$150.

**Background:** Hydrofracturing 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 hydrofractured in Baltimore County, 3% in Howard County, and 7% in Montgomery County.

**State Fiscal Effect:** Hydrofractuurers in Maryland are currently licensed as well drillers. The Maryland Department of the Environment advises that only one firm, which is not currently licensed by the board, would likely apply for the well rig operator license established by the bill. Based on current application and license fees, it is estimated that revenues could increase by \$200 for each license issued.

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### Additional Information

**Prior Introductions:** SB 895 of 2000 would have established a new category of restricted licenses for hydrofractuurers under the State Board of Well Drillers. The Senate Economic and Environmental Affairs Committee held a hearing on the bill, but no further action was taken.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – March 11, 2001  
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