

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 1154

(Delegate Oaks, *et al.*)

Environmental Matters

Lead Poisoning Protection Act

This bill amends provisions under the Lead Paint Poisoning Prevention Program in the Maryland Department of the Environment (MDE) by: (1) expanding the requirements for owners of affected properties; (2) expanding the existing rental subsidy to owner-occupied dwellings; (3) requiring lead reduction by an owner that receives a lead-hazard violation notice; (4) specifying that MDE must follow federal guidelines in establishing specified procedures and standards; and (5) modifying the reporting requirements for those conducting tests and inspections.

Fiscal Summary

State Effect: The bill's changes could be handled with existing budgeted resources.

Local Effect: The bill would not materially affect local operations or finances.

Small Business Effect: Meaningful.

Analysis

Bill Summary: The bill amends the Lead Paint Poisoning Prevention Program to require that the owner of an affected property must satisfy the risk reduction standard by passing the test for lead-contaminated dust *and* performing specified lead hazard reduction treatments. The bill provides that the procedures and standards MDE must establish regarding lead-contaminated dust testing must be based on federal guidelines. Any person performing lead-contaminated dust testing or conducting inspections must submit

a verified report of the result of the lead-contaminated dust testing *and* visual inspection to MDE, the owner, and the tenant of the affected property.

This bill expands the existing rental subsidy under a “qualified offer” to owner-occupied dwellings (by expanding the definition of “lead-safe housing” to include owner-occupied dwelling units, and expanding the definition of “relocation expenses” to include down payments, earnest money, and closing costs). A person who desires to use funds from a qualified offer for purchasing a house must first complete counseling on budgeting, credit issues, and housing affordability with a nonprofit entity that meets specified conditions.

If an owner receives a lead-hazard violation notice, MDE or a local health department must require lead reduction, including lead-free window installation in dwellings where children with lead poisoning reside or recently resided.

Background: Lead paint poisoning impacts the cognitive and physical development of young children. Children are exposed to lead through breathing lead paint dust, eating lead paint chips, or absorbing lead while in-vitro. Most of the exposures to lead can be eliminated by removing lead paint from the homes of children and pregnant women. Although the number of cases of lead poisoning has decreased over the past few years (from 772 cases in 1998 to 353 cases in 2000), lead paint remains a health issue.

Chapter 411 of 1994 established the Lead Paint Poisoning Prevention Program in MDE. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties and limited compensation of children poisoned by lead. The program also provides increased public health intervention. Although the program was due to begin in October 1994, controversy over MDE’s proposed regulations delayed full implementation of the program until February 1996.

MDE is the State’s leading agency because it identifies and monitors properties contaminated with lead paint. MDE’s lead rental registry program requires property owners of residential rental units built before 1950 to annually register each rental unit with MDE. Affected properties must meet a risk reduction standard at turnover. In fiscal 2001, nearly 2,000 rental dwelling units were placed under voluntary consent orders that require the performance of full risk reduction treatments. Through MDE’s enforcement program, rental property owners that are not compliant with lead paint laws may be prosecuted. According to MDE’s *Annual Enforcement and Compliance Report* for fiscal 2001, 150,264 properties had been registered. MDE inspected approximately 21,506 sites in fiscal 2001 and found that 469 sites had significant violations. MDE rendered 133 compliance assistance actions and issued 476 show cause, remedial, and corrective

actions in fiscal 2001. MDE took 24 penalty actions and collected \$83,322 in penalties in fiscal 2001.

Current Law: By December 31, 1995, the owner of an affected property must register that property with MDE. At each change in occupancy, before the next tenant occupies the property, an owner must satisfy the risk reduction standard by passing the test for lead contaminated dust *or* performing specified lead hazard reduction treatments. MDE must establish procedures and standards for the optional lead-contaminated dust testing by regulation. Any person performing lead-contaminated dust testing or conducting inspections must submit a verified report of the result of the lead-contaminated dust testing or visual inspection to MDE, the owner, and the tenant of the affected property.

Chapter 411 of 1994 also provides for limited compensation by owners of rental properties to children who are poisoned by lead. A “qualified offer” by a landowner in such instances covers up to \$7,500 for all medically necessary treatments and up to \$9,500 for relocation benefits. Relocation benefits include relocation expenses, incidental expenses, and a rent subsidy of up to 150% of the existing rent each month for the period until the person at risk reaches the age of six years, or in the case of a pregnant woman, until the child born reaches the age of six years. “Relocation expenses” include all expenses necessitated by the relocation of a tenant’s household to “lead-safe housing,” including moving and hauling expenses, specified vacuuming of all upholstered furniture, payment of a security deposit for the lead-safe housing, and installation and connection of utilities and appliances. “Lead safe housing” does not include owner-occupied dwellings.

Small Business Effect: By requiring both lead hazard reduction treatments and the test for lead-contaminated dust upon change of occupancy of a rental property, the bill could create additional costs for approximately 30,000 property owners that provide rental dwelling units in the State. To the extent that the bill results in an increase in the demand for small businesses involved with lead reduction, the bill could result in an increase in revenues for those entities.

Additional Information

Prior Introductions: HB 1107 of 2001 would have expanded the existing rental subsidy to owner-occupied dwellings, but did not modify any other provisions of the Lead Paint Poisoning Prevention Program. The bill received an unfavorable report by the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Department of Health and Mental Hygiene, Department of Legislative Services

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lsc/jr

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