

**Department of Legislative Services**  
 Maryland General Assembly  
 2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 54

(Senators Frosh and Ruben)

Education, Health, and Environmental Affairs

Environmental Matters

**Task Force to Study Pinhole Leaks in Copper Plumbing**

This bill creates a 13-member task force to investigate the possible causes of pinhole leaks in copper pipes, investigate the effect of the leaks on homeowners' insurance coverage, and report its findings and recommendations to the General Assembly by December 31, 2004. The task force will include the chairman of the Washington Suburban Sanitary Commission (WSSC); State agency officials (or their designees); county government, a master plumber, and consumer representatives; and two experts, including a faculty member from the University System of Maryland. The Department of Housing and Community Development (DHCD) will provide staff for the task force and the Governor will appoint the chair.

The bill is effective June 1, 2003 and terminates January 31, 2005.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$20,000 from FY 2004 to 2005 for consulting services, if necessary. Task force members would be reimbursed for expenses under the standard State travel regulations. Any such expenditures would depend upon the time, location, and frequency of the task force's meetings. Expenses are assumed to be minimal and able to be handled with existing resources of the agencies represented on the task force.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	15,000	5,000	0	0	0
Net Effect	(\$15,000)	(\$5,000)	\$0	\$0	\$0

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

**Local Effect:** Potentially minimal increase in expenditures for expenses associated with staffing the task force.

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** None applicable.

**Background:** WSSC has received over 4,600 complaints from its customers about copper pipe pinhole leaks. The majority of the leaks have occurred in homes built before 1970 and in older areas of Prince George's and Montgomery counties, particularly Beltsville, Laurel, Chevy Chase, and Silver Spring. WSSC launched a pilot project in Laurel in April 2002 to test the effectiveness of adding small amounts of orthophosphate to the building's water supply. Phosphates are commonly used by utilities to reduce lead and copper levels in tap water and also used in many foods. Copper pinhole leaks have sprung up in several areas in the United States.

WSSC has formed an internal task force with copper corrosion experts, including a professor from Virginia Polytechnic Institute and State University, and representatives of copper and master plumbing associations. The list of possible causes includes the chemical composition of interior pipe surface coatings and deposits found in areas near the leaks and the impact of new federal water quality standards. WSSC expects to provide recommendations to the Montgomery and Prince George's county councils in spring 2003.

Claims against a homeowner's insurance policy can increase the premium on the policy. However, the specific impact of the pinhole leaks on affected homeowners is unavailable. The Maryland Insurance Administration advises that claims are generally classified as water damage.

**State Expenditures:** DHCD advises that it does not have technical expertise in the subjects to be studied by the task force and estimates that if a consultant is needed, it would cost approximately \$20,000.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Washington Suburban Sanitary Commission, Maryland Insurance Administration, Department of Housing and Community Development, Department of Legislative Services

**Fiscal Note History:** First Reader - January 30, 2003  
ncs/cer Revised - Clarification - February 3, 2003  
Revised - Senate Third Reader - March 27, 2003  
Revised - Enrolled Bill - April 16, 2003

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