

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 1146 (Delegate Owings)
Environmental Matters

Environment - Lead-Based Paint - Reduction of Lead Risk in Housing

This bill makes several changes to the Reduction of Lead Risk in Housing Program within the Maryland Department of the Environment (MDE).

Fiscal Summary

State Effect: Special fund revenues from registration fees would decrease by \$295,100 annually beginning in FY 2004 due to a decrease in the number of dwelling units subject to regulation. Special fund expenditures for grants to locals will decrease accordingly.

| (in dollars) | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|----------------|-------------|-------------|-------------|-------------|-------------|
| SF Revenue | (\$295,100) | (\$295,100) | (\$295,100) | (\$295,100) | (\$295,100) |
| SF Expenditure | (295,100) | (295,100) | (295,100) | (295,100) | (295,100) |
| Net Effect | \$0 | \$0 | \$0 | \$0 | \$0 |

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

Local Effect: Local grant revenues will decrease by an estimated \$295,100 annually.

Small Business Effect: Meaningful. An estimated 29,505 single-family dwelling units would no longer be subject to regulation.

Analysis

Bill Summary: The bill makes several definitional changes in an attempt to use consistent terminology and make State law consistent with federal law. The bill establishes new terms (“accessible to a child,” “de minimis level,” and “presumed lead-based paint”) and modifies existing terms (“affected property,” “exterior surfaces,” “lead-based paint,” “lead-contaminated dust,” “lead-free,” “lead-safe housing,” “owner,” and

“person at risk”). In general, these changes relax current law by exempting single-family dwelling units from regulation and by exempting certain painted surfaces and areas from lead reduction requirements. The bill also repeals MDE’s authority to establish specified standards and requirements by regulation; sets standards and requirements in statute; provides for automatic waivers from risk reduction requirements during the winter months; and exempts owners of affected properties that have been certified by an inspector as lead-based paint free housing from the requirements relating to providing notice to tenants upon execution of a lease or inception of tenancy. MDE advises that several of the bill’s provisions are inconsistent with federal law and/or conflict with federal law.

Current Law: Chapter 114 of 1994 established the Lead Paint Poisoning Prevention Program in MDE. The program provides limited liability relief for owners of affected property (generally, 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. MDE is the State’s leading agency because it identifies and monitors properties contaminated with lead paint. The annual registration fee for an affected property is \$10. Fees are paid into the Lead Poisoning Prevention Fund in MDE.

Background: Lead 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-utero. 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 childhood lead poisoning in Maryland has decreased over the past few years (from 772 cases in 1998 to 288 cases in 2001), lead paint remains a significant health issue.

State Revenues: Special fund revenues would decrease by an estimated \$295,050 annually beginning in fiscal 2004 as a result of a decrease in registration fees that would otherwise be collected. By modifying the definition of “affected property,” the bill exempts 29,505 single-family dwelling units currently registered with MDE. The annual registration fee for an affected property is \$10.

State Expenditures/Local Fiscal Effect: Local jurisdictions, including Baltimore City, receive grants from MDE’s Lead Poisoning Prevention Fund to conduct educational and outreach activities relating to lead poisoning prevention. MDE advises that grants to locals will total \$800,000 – \$900,000 in fiscal 2003. Because this bill will result in a decrease in revenues of an estimated \$295,050 annually to the Lead Poisoning Prevention Fund, grants to locals will decrease accordingly.

Additional Information

Prior Introductions: None.

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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