

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1541

(Delegate Cane, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Environment - Well Permits - Fees

This bill increases the maximum fee, from \$80 to \$160, a local health department may charge for well permits. The bill also provides that a permit must be issued within a reasonable period of time after receipt of the application and that for an interim certificate of potability, a local health department must accept initial test results prepared by a private, State-certified laboratory.

Fiscal Summary

State Effect: The bill would not significantly affect State operations or finances.

Local Effect: Local revenues from well permit fees could increase by \$960,000 annually as a result of the increase in the fee cap; this would help offset costs incurred for well-permitting activities. It is assumed that the bill's language regarding the issuance of well permits and the acceptance of initial test results for interim certificates of potability would not significantly affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: A person may not drill a well in Maryland unless the person obtains a permit. The Maryland Department of the Environment (MDE) has delegated the authority to issue well-drilling permits to local environmental health agencies. A county board of health may establish a permit fee to defray the cost of inspecting and testing wells. The fee may be charged before a permit is issued but may not exceed \$80 per well

or \$80 per cluster of wells. A county board of health may waive the fee under specified conditions.

Background: The current well permit fee cap has been in effect since 1984 and, according to MDE, does not cover the expenses incurred by local health departments in performing the work necessary to ensure the protection of public health.

Local Fiscal Effect: MDE advises that approximately 12,000 wells are drilled each year; the number of these that are clustered (and are subject to only one fee) is unknown. Based on information provided by MDE, it is assumed that most, if not all, local health departments charge the maximum fee of \$80 and would, under the bill, increase their fees to the new maximum fee of \$160. Assuming each well drilled per year is subject to an \$80 permit fee increase, local revenues would increase by \$960,000 annually.

MDE advises that even at \$160, fee revenues would not completely offset costs incurred by local health departments for well permitting activities.

Additional Comments: The Budget Reconciliation and Financing Act of 2004 (SB 508) also increases the current cap to \$160.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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