

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 374

(Delegate Glassman, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Oil Discharge - Groundwater Contamination - Notification

This bill requires the Maryland Department of the Environment (MDE), upon a finding that specified contaminants are present in a monitoring well located in a high-risk groundwater use area in excess of specified levels, to notify the appropriate local health department. The local health department must then notify each owner of property located within one-half mile of the site from which the sample was taken. The bill outlines notification requirements and provides that the person responsible for the oil discharge must reimburse the local health department for the costs associated with providing the required notice.

Fiscal Summary

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

Local Effect: Potential significant increase in expenditures for affected local health departments to provide notification; reimbursements from responsible parties would offset most, but not all, of such costs. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Analysis

Current Law: Current regulations regarding underground storage tanks (USTs) define a "high risk groundwater use area" as all areas served by individual wells in Anne Arundel, Baltimore, Carroll, Cecil, Charles, Calvert, Frederick, Harford, Howard, Montgomery, and Prince George's counties.

The contaminant levels specified in the bill are the same as those currently defined as “levels of concern” in current regulations. Under current regulations, if the concentration of gasoline constituents in site groundwater sampling and testing is equal to or greater than the levels of concern, the UST owner must report the concentrations to MDE within 24 hours and develop a corrective action plan. For each confirmed release from a UST that requires a corrective action plan, MDE, in cooperation with the responsible parties, must provide notice to the public. The notice must be provided to those members of the public directly affected by the release and the planned corrective action, as determined by MDE. Before approving a corrective action plan, MDE may hold a public meeting to consider comments on the proposed plan. If MDE considers terminating the remedial work under a plan before achievement of any of the goals set forth in the plan, MDE is required to notify the affected public.

Under general liability provisions regarding oil spills, the person responsible for the oil spillage is liable to any other person for any damage to his real or personal property directly caused by the spillage. The UST owner is required to provide evidence of financial responsibility for costs of cleanup, corrective action, and third party liability in the event of a discharge.

State Expenditures: MDE could notify local health departments of findings using existing budgeted resources.

Legislative Services notes that it is possible that the State, itself, could be a responsible party subject to providing reimbursement to local health departments under the bill. Any such costs are not anticipated to be significant, however. Although other State facilities could also be affected, MDE advises that there are about 35 State facilities with USTs in high-risk groundwater areas.

Local Expenditures: Local health departments in Anne Arundel, Baltimore, Carroll, Cecil, Charles, Calvert, Frederick, Harford, Howard, Montgomery, and Prince George’s counties could incur significant costs to research property records and provide the required notification. Although the actual number of findings that would trigger notification is unknown, MDE advises that the bill could trigger 800 notifications annually in the 11 affected counties. If that were the case, mailing costs alone could total an estimated \$272,000 annually across all affected counties. In addition, the Department of Health and Mental Hygiene advises that identifying property owners to notify would likely be cumbersome.

Although the bill provides for reimbursement by responsible parties to local health departments for costs incurred, based on previous experience regarding oil spills, MDE

advises that not all spills will have identifiable responsible parties. Accordingly, reimbursements would likely not fully offset such costs.

To the extent local governments, themselves, are identified as responsible parties under the bill, expenditures would increase to reimburse local health departments for the costs of providing notification. Although other local facilities could also be affected, according to MDE, there are about 65 local facilities with USTs in high-risk groundwater areas. However, any reimbursements are not anticipated to have a significant impact on any given local jurisdiction.

Small Business Effect: Small businesses identified as responsible parties under the bill would be required to reimburse local health departments for the costs of providing notification. The total number of businesses that could be affected is unknown. MDE advises that there are about 750 private owners of underground storage tanks in high-risk groundwater areas; not all of these would be considered small businesses.

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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