

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

Senate Bill 688 (Senator Green)
 Education, Health, and Environmental Affairs

Environment - Stormwater Management - Inspections and Water Quality Standards

This bill requires the Maryland Department of the Environment (MDE) to adopt regulations that establish specific post-development water quality standards. At the conclusion of any land clearing, construction, development, drainage, or soil movement, MDE must inspect the site. As part of the inspection, MDE may test stormwater runoff and any downstream water it reasonably determines may be affected by the activity. The bill also prohibits a person involved in any land clearing, construction, development, drainage, or soil movement from causing or contributing to a violation of specified water quality standards.

Fiscal Summary

State Effect: General fund expenditure increase of \$1.6 million in FY 2006 for MDE to conduct the required inspections. Future year estimates are annualized, adjusted for inflation, and reflect ongoing costs. Revenues would not be significantly affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,619,400	1,594,200	1,687,700	1,788,200	1,896,200
Net Effect	(\$1,619,400)	(\$1,594,200)	(\$1,687,700)	(\$1,788,200)	(\$1,896,200)

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

Local Effect: Regulations adopted pursuant to the bill could result in an increase in local expenditures.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In general, a person may not develop any land for residential, commercial, industrial, or institutional use without submitting and getting approval of a stormwater management plan to the county or municipality that has jurisdiction. The developer must certify that all land clearing, construction, development, and drainage will be done according to the plan. A State or federal agency may not undertake any land clearing, soil movement, or construction activity involving soil movement unless the agency has submitted and obtained approval of a stormwater management plan from MDE. Criminal, civil, and administrative penalties apply to violations of the State's stormwater management provisions.

MDE has the authority to inspect and enforce pollution control measures on various activities, including those proposed in this bill. MDE currently establishes specific water quality standards that are incorporated into existing permitting processes.

Background: MDE's Water Management Administration (WMA) is responsible for the implementation and supervision of the State's stormwater management program. This includes establishing policies, procedures, standards, and criteria relating to stormwater management from new and redevelopment projects that have an earth disturbance of 5,000 square feet or more. Additional program components include the review and approval of county and municipal ordinances, local programs, plans for State and federal grading projects, and training programs. MDE conducts triennial reviews of local programs and makes recommendations for improvements. Approximately 21 employees within WMA currently perform inspections related to erosion and sediment control and stormwater management.

According to MDE, Maryland's erosion and sediment control and stormwater management programs rely on performance standards and management programs (locally implemented programs that conduct plan review, approval, inspection, maintenance, and enforcement) that use the best available technology through installation of best management practices as part of an approved construction plan to protect the waters of the State.

State Fiscal Effect: General fund expenditures could increase by an estimated \$1.6 million in fiscal 2006, which accounts for the bill's October 1, 2005 effective date. This estimate reflects the cost of hiring 26 inspectors to conduct the required inspections and 2 supervisors. It includes salaries, fringe benefits, one-time start-up costs (including the purchase of 28 vehicles), and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- there were approximately 21,100 active construction sites throughout the State in fiscal 2004;
- post-construction monitoring would be conducted by an inspector based on visual observations of sediment deposition in stream channels;
- each inspector could conduct about 450 inspections annually; and
- MDE currently has 21 inspectors.

Salaries and Fringe Benefits	\$1,113,784
Automobile Purchase/Operations	432,369
Other Equipment/Operating Expenses	<u>73,255</u>
Total FY 2006 State Expenditures	\$1,619,408

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The bill establishes new provisions that would be subject to existing monetary and incarceration penalty provisions; however, it is assumed that this would not significantly affect State finances.

Local Fiscal Effect: Local governments currently implement Maryland’s stormwater management program. Duties involve reviewing and approving development project plans, inspecting the construction of all stormwater management facilities, ensuring that these facilities are maintained, and enforcing the State’s stormwater management subtitle locally. It is assumed that the bill would not relieve local jurisdictions from any duties currently required or impose any new duties on local programs.

The bill establishes new provisions that would be subject to existing monetary and incarceration penalty provisions. It is assumed, however, that these provisions would not have a significant impact on local finances.

Legislative Services advises that the regulations adopted pursuant to the bill could result in an increase in local expenditures, as any development activity by local governments would be subject to the standards established.

Small Business Effect: Affected small businesses (those carrying out construction on their properties or those engaged in construction work itself) could incur additional costs

to comply with the water quality standards established through regulation. Any such costs cannot be reliably estimated at this time. According to MDE, in some cases, it might not be possible to meet the specific standards outlined in the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Montgomery County, Prince George's County, City of Annapolis, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2005
mp/ljm

Analysis by: Lesley G. Cook

Direct Inquiries to:
(410) 946-5510
(301) 970-5510