

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

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

Senate Bill 416

(Senator Conway, *et al.*)

Education, Health, and Environmental Affairs

Environmental Matters

**Environment - Groundwater Contamination - Notification and Reimbursement  
of Costs**

This bill modifies specified notification and reimbursement provisions relating to groundwater contamination to provide that the Maryland Department of the Environment (MDE) is responsible for providing the required notice. If a county and MDE agree, the county would provide the notice. Reimbursement of notification costs would be provided to either MDE or the county, as appropriate. The bill also authorizes MDE or a county to limit notification to those property owners that are hydrogeologically downgradient of the well from which the sample was taken.

**Fiscal Summary**

**State Effect:** Special fund expenditures could increase by \$1,800 in FY 2007 and \$2,300 annually thereafter for MDE to provide the required notice; it is assumed that reimbursements from responsible parties would generally offset those costs.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
SF Revenue	\$1,800	\$2,300	\$2,300	\$2,300	\$2,300
SF Expenditure	1,800	2,300	2,300	2,300	2,300
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** Assuming that affected counties would *not* agree to provide the required notice, local expenditures would decrease; reimbursements for related costs also would decrease. On request by MDE, local health departments would be required to provide the names and addresses of property owners to be notified; accordingly, there would still be some costs associated with the notification process.

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** Chapter 539 of 2005 requires 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 person responsible for the oil discharge must reimburse the local health department for the costs associated with providing the required notice.

**Background:** According to MDE, since Chapter 539 took effect on October 1, 2005, there have been seven notifications in Baltimore, Carroll, Frederick, and Harford counties. Current regulations 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.

**State Fiscal Effect:** Special fund expenditures could increase by an estimated \$1,755 in fiscal 2007, which accounts for the bill’s October 1, 2006 effective date. This estimate reflects mailing costs for MDE. The information and assumptions used in calculating the estimate are stated below:

- Counties would *not* agree to be responsible for the required notice.
- MDE would be required to conduct notifications for 120 cases each year. (Although only 7 notifications have been made since October 1, 2005, MDE advises that it anticipates an average of 10 per month because more notifications are anticipated during the warmer months.)
- MDE would limit notification to those property owners that are hydrogeologically downgradient of the well from which the sample was taken (on average, approximately 50 property owners would be notified per event).
- MDE would likely request the names and addresses of affected property owners from local health departments.
- Existing staff would provide clerical support.

To the extent that any counties agree to provide the notice and/or the number of cases varies from the estimate, total costs would vary accordingly.

Future year expenditures (\$2,340 annually) reflect annualization.

Because responsible parties would be required to reimburse MDE for the costs associated with providing the required notice, for purposes of this fiscal note, it is assumed that such reimbursements would offset MDE's costs each year. However, MDE advises that there are approximately five oil cases per year where no responsible parties can be identified; accordingly, it is possible that MDE would have to absorb some of its costs each year. It is assumed that any unrecoverable costs would be minimal.

**Local Fiscal Effect:** The bill repeals the mandate that local health departments provide the required notice; accordingly, it is reasonable to assume that affected counties would *not* agree to be responsible for doing so. Accordingly, the bill would result in a decrease in costs and associated reimbursements. Based on information from the four local health departments that have performed the notifications since October 1, 2005, MDE advises that the average cost is currently \$1,500 per event. Local health departments would still incur some costs, however, as they would likely be requested by MDE to provide the names and addresses of property owners to be notified.

Legislative Services notes that, even if a county were to agree to continue to provide the required notice, the bill would still result in a decrease in costs because it authorizes the notification to be limited to fewer property owners and repeals the requirement that notifications be mailed via certified mail.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1326 (Delegate Frush) – Environmental Matters.

**Information Source(s):** Maryland Department of the Environment, Department of Health and Mental Hygiene, Baltimore City, Caroline County, Howard County, Montgomery County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2006  
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