

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 303

(Anne Arundel County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Anne Arundel County - Well Drillers - Permit Fee

This bill requires, in Anne Arundel County only, that the well driller permit fee be set so as to produce funds to reflect the Anne Arundel County Board of Health's actual cost of inspecting wells, collecting water samples, and issuing certificates of potability. However, the fee for a replacement well must be no more than 50% of that amount.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County permit fee revenues could increase by an estimated \$234,700 annually assuming the county increases the permit fee from \$160 to \$532 for new wells and to \$266 for replacement wells.

Small Business Effect: Minimal. Although the bill would increase the cost of drilling wells in Anne Arundel County, it is assumed that the overall impact on small businesses in the county would not be significant.

Analysis

Current Law: A person may not drill a well in Maryland unless the person obtains a permit. The Maryland Department of the Environment has delegated the authority to issue well driller permits to local health departments. A county board of health may establish a permit fee to defray the cost of inspecting and testing wells and issuing certificates of potability. The fee may be charged before a permit is issued but may not

exceed \$160 per well or \$160 per cluster of wells. A county board of health may waive the fee under specified conditions.

Background: Chapters 430 and 555 of 2004 increased the maximum permit fee from \$80 to \$160. Even with the increase in the fee cap, current fees still do not cover the expenses incurred by local health departments in performing the work necessary to ensure the protection of public health.

Local Fiscal Effect: Anne Arundel County reports that, on average, 874 wells are drilled each year in the county (534 new wells and 340 replacement wells). The county advises that although the current permit fee is \$160 per well, actual costs to the county total approximately \$532 per well. Accordingly, under the bill, Anne Arundel County would be required to set the well driller permit fee for new wells at approximately \$532 per well, and the permit fee for replacement wells at no more than 50% of that amount, or \$266 per well. Accordingly, county revenues from permit fees could increase by an estimated \$234,688 annually. This estimate does not take into account clustered wells; the number of wells that are clustered (and are subject to only one fee under current law) is unknown.

Additional Information

Prior Introductions: None.

Cross File: SB 251 (Senator Astle) – Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel County, Maryland Department of the Environment, Department of Health and Mental Hygiene, Department of Legislative Services

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