

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 694
Economic Matters

(Delegate Pendergrass, *et al.*)

Public Health - Construction Sites - Rest Rooms

This bill bars any State or local entity from issuing a building permit for a construction project with a total cost of at least \$500,000 unless the construction site provides a convenient, sanitary, and properly ventilated toilet and lavatory; the lavatory must be supplied with soap, clean water, and towels or other hand drying devices. The toilet must be a flush toilet if water and sewer lines are located within 200 feet of the construction site and if flush toilets and sinks are provided for other personnel on site, including office personnel.

Fiscal Summary

State Effect: Likely minimal, as most State construction projects either do not require or obtain building permits, or they already comply with the bill's provisions. Any State project that is subject to the bill's provisions would face one-time expenditure increases of between \$30,000 and \$100,000 to erect construction trailers with toilets and lavatories that use running water and connect them to water and sewer lines. In addition, monthly rental charges for the construction trailers exceed rental costs for portable toilets by between \$1,300 and \$1,800 per month.

Local Effect: Local construction projects, including school construction projects, with a value of at least \$500,000 would be subject to the same cost increases as State projects, described above.

Small Business Effect: Potential meaningful, to the extent that small businesses are involved in construction projects worth at least \$500,000. Construction firms and private contractors that would have to comply with the bill's provisions would likely pass along the additional costs to project owners.

Analysis

Current Law: Local governments are responsible for issuance of building permits for construction projects. There are no statewide requirements for the provision of sanitary toilet or lavatory facilities on construction sites.

Background: Rental costs for portable toilets that do not use running water, which are typically used at construction sites, are approximately \$100 per month per unit, which includes installation, weekly cleaning and waste disposal, and removal.

State Fiscal Effect: The Department of General Services and the Maryland Port Administration advise that, under the principles of State sovereignty, State construction projects under their authority generally do not require or obtain local building permits, so most State capital expenditures would not be affected. DGS further clarified that it does comply with the International Building Code and other standard fire safety and technical codes in managing its construction projects, but does not issue or obtain permits for State construction projects. Similarly, the Maryland Department of Transportation advises that the bill would have minimal or no impact on its construction costs because the State Highway Administration, Maryland Transit Administration, and the Maryland Aviation Administration already comply with the bill's requirements on most or all of their projects. The University System of Maryland advises that temporary sinks and flush toilets are not typically installed until the building structure is complete, meaning the bill could affect USM projects that require permits.

State construction projects must be approved by either the Secretary of Transportation or both the Secretary of Budget and Management and the Secretary of General Services. In addition, a State agency may not undertake any construction activity unless the agency has submitted and obtained approval of a stormwater management plan from the Maryland Department of the Environment. It is unclear whether these approval processes entail or encompass issuing a permit for a State construction project under the terms of this bill.

To the extent that the bill might apply to certain State construction projects, it could increase construction costs. The cost of renting construction trailers that have toilets and sinks with running water is estimated to be between \$1,500 and \$2,000 per month.

Assuming that each trailer would have two toilets and sinks, this would result in an increase of between \$1,300 and \$1,800 a month over current costs for portable toilets. In addition, the one-time cost of erecting and disassembling those trailers, as well as connecting them to water and sewage lines at construction sites is estimated to be between \$30,000 and \$100,000 per site.

Local Fiscal Effect: Locally funded construction projects, including school construction projects, that require building permits would be subject to the same potential cost increases as affected State projects, described above.

Small Business Effect: To the extent that small businesses are involved in construction projects valued at more than \$500,000, they would be subject to the same project cost increases. Construction firms and private contractors that are small businesses and would have to comply with the provisions of this bill on all commercial and residential projects would most likely pass on the costs to the project owner. While project costs would likely increase as a result, there would be no direct fiscal effect on the small business.

Additional Information

Prior Introductions: None.

Cross File: SB 574 (Senator Klausmeier, *et al.*) – Finance.

Information Source(s): HandyJohns.com, Department of General Services, Public School Construction Program, Maryland Department of Transportation, Board of Public Works, University System of Maryland, Department of Legislative Services

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