

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 170

(Chair, Finance Committee)(By Request - Departmental -
Health and Mental Hygiene)

Finance

County Board of Health - Meetings and Fee-Setting Powers

This departmental bill allows a county board of health to set a fee for any activity that is delegated to the health officer in that jurisdiction under the Health-General Article or Environment Article. The bill also requires each county board of health to meet in any two months in a year rather than in May and October specifically.

Fiscal Summary

State Effect: The bill does not affect State operations or finances.

Local Effect: Significant increase in revenues for counties that increase fees for delegated activities.

Small Business Effect: The Department of Health and Mental Hygiene (DHMH) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Each county board of health coordinates with DHMH to carry out duties imposed by law and report on the sanitary conditions in the county. Each county board of health may set any fee or charge in connection with its rules or regulations. A fee or charge for a service provided using State or federal funds is subject to approval and modification by the Secretary of Health and Mental Hygiene.

The Maryland Department of the Environment (MDE) 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, but the fee may not exceed \$160 per well or \$160 per cluster of wells. A county board of health may waive the fee under specified conditions.

Chapters 700 and 701 of 2008 required, in Anne Arundel County only, that a 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 has to be no more than 50% of that amount.

Local health departments inspect and license restaurants. In most counties, the annual restaurant licensing fee is \$300.

Background: DHMH advises that it delegates enforcement activities to local health departments, and these tasks often involve staff time and resources. The bill gives a county board of health the authority to set a fee for such activities based on associated administrative costs.

Effective October 1, 2008, Anne Arundel County increased its new well permit fee and replacement well permit fee to \$630 and \$315, respectively.

MDE advises that historically, about 15,000 new wells are drilled in the State each year, although the current rate is probably much lower because of the economic downturn.

Local Fiscal Effect: Local health departments are responsible for inspecting and licensing restaurants, as well as issuing well-drilling permit fees. Kent County reports that the current fees, \$300 and \$160, respectively, do not cover health department costs associated with restaurant inspection and well-drilling permitting. Therefore, revenues increase to the extent that local health departments increase fees to cover the costs of inspecting restaurants and issuing well-drilling permits.

For illustrative purposes only, if 150 new wells are drilled in Kent County each year and the county increases its well-drilling permit fee from \$160 to \$360, local revenues increase by about \$30,000 each year. Revenue increases are likely to vary from county to county depending on whether a county increases fees and how much the fees are increased.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Kent, Montgomery, Prince George's, Washington, and Worcester counties; Maryland Department of the Environment; Department of Health and Mental Hygiene; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2009
mlm/mwc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: County Board of Health – Meetings and Fee – Setting Powers

BILL NUMBER: SB 170

PREPARED BY: Office of Inspector General

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.