

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 1416 (Chair, Environmental Matters Committee)(By Request -
 Departmental - Environment)

Environmental Matters Education, Health, and Environmental Affairs

Small Business Pollution Compliance Loan Fund - Repeal

This departmental bill repeals the Small Business Pollution Compliance Loan Fund. On October 1, 2009, any remaining balance in the fund must revert to the general fund, and any loan payments received thereafter must be held for reversion to the general fund during the annual fiscal year-end closeout process.

Fiscal Summary

State Effect: General fund revenues increase by about \$305,000 in FY 2010 due to reversion of money in the special fund repealed by the bill.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
GF Revenue	\$305,000	\$0	\$0	\$0	\$0
Expenditure	0	0	0	0	0
Net Effect	\$305,000	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: The Maryland Department of the Environment (MDE) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law/Background: The Small Business Pollution Compliance Loan Fund was created by Chapter 545 of 1998 in order to assist small businesses with the costs associated with installation of pollution control and other equipment, and the implementation of measures necessary to comply with air pollution regulatory requirements. Since its establishment, MDE has made only one loan from the fund. The amount outstanding on that loan is \$7,276 and is scheduled to be repaid in full in February 2010. The loan program has been capitalized almost entirely by general funds.

State Fiscal Effect: The estimated fiscal 2010 opening balance for the Small Business Pollution Compliance Loan fund is \$296,785. Due to additional repayments and accumulation of interest, this amount may reach about \$300,000 by the effective date of the bill. The balance of the fund on October 1, 2009, reverts to the general fund. Assuming no additional loans are made by the effective date, the remaining balance on the only loan outstanding will revert to the general fund on the year-end closeout date for fiscal 2010. This amount is estimated to be about \$5,000.

Additional Comments: The Budget Reconciliation and Financing Act of 2009 (HB 101/SB 166) proposes to transfer \$277,785 from the Small Business Pollution Compliance Loan fund to the general fund in fiscal 2009. If that provision is enacted, the reversion required by this bill is estimated to be about \$19,000 on the October 1, 2009 effective date and about \$24,000 in total for fiscal 2010.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Maryland Department of the Environment, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2009
ncs/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Small Business Pollution Compliance Loan Fund - Repeal

BILL NUMBER: HB 1416

PREPARED BY: Maryland Department of the Environment

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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.