

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 408

(Senator Simonaire, *et al.*)

Education, Health, and Environmental Affairs

Environmental Matters

Environment - Water Pollution Control - Penalties

This bill increases from \$1,000 to \$5,000 the maximum penalty for a violation of any of the water pollution laws in Title 9 of the Environment Article.

Fiscal Summary

State Effect: Special fund revenues at the Maryland Department of the Environment (MDE) may increase minimally due to the increase in the maximum authorized administrative penalty. Expenditures are not directly affected.

Local Effect: Local government expenditures may be affected to the extent they are owners and operators of sanitary sewer systems, combined sewer systems, or wastewater treatment plants.

Small Business Effect: Potential meaningful impact to small business owners and operators of sanitary sewer systems, combined sewer systems, or wastewater treatment plants.

Analysis

Current Law/Background: The Water Pollution Control Program at MDE is responsible for protecting the State's ground and surface waters, issuing water pollution control permits, and monitoring the permit holders for compliance. All application fees, permit fees, renewal fees, and funds collected by the Water Pollution Control Program, including any civil or administrative penalty or fine imposed by a court from related activities are paid into the Maryland Clean Water Fund. Money from the Clean Water Fund supports

these monitoring and enforcement activities. Funding priority must be given to activities relating to water quality of the Chesapeake Bay and its tributaries.

The Clean Water Fund had a balance of approximately \$6.5 million at the end of fiscal 2008. In fiscal 2008, enforcement action revenue for the Clean Water Fund totaled over \$1.7 million, or about 26.5% of the end-of-year fund balance. Unexpended moneys in the fund may not revert to the general fund.

State Revenues: Legislative Services advises that the increase in the maximum administrative penalty authorized under the bill is unlikely to significantly affect Clean Water Fund penalty revenues. A significant majority of MDE water pollution control enforcement actions result in administrative penalties that are less than the current maximum. Further, even if an increase in the maximum authorized penalty per violation leads to an increase in overall penalty revenues, this may be partially offset by fewer violations to the extent that the increased maximum penalty has an enhanced deterrent effect.

Additional Information

Prior Introductions: None.

Cross File: HB 1547 (Delegate Frush) – Rules and Executive Nominations.

Information Source(s): Department of Natural Resources, Maryland Department of the Environment, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2009
mam/ljm Revised - Senate Third Reader - April 2, 2009

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