

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 59 (The Speaker)(By Request - Department of Legislative Services)

Environmental Matters

Education, Health, and Environmental Affairs

State Board of Well Drillers - Sunset Extension and Program Evaluation

This bill extends the termination date for the State Board of Well Drillers by 10 years to July 1, 2021, and requires an evaluation of the board by July 1, 2020. The bill includes a related reporting requirement.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: General fund revenues and expenditures for the board are maintained beyond FY 2011. The FY 2010 budget includes \$92,960 for board operations. The bill's reporting requirement can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Well drilling is an important industry in the State as the Maryland Department of the Environment issues approximately 10,000 well permits per year; however, the total wells drilled may exceed 10,000 as more than one well may be authorized under a permit. While the majority of the State's population receives its water from public water systems, the use of ground water for public water supplies is a common practice in Maryland. Where no public water systems exist, residents obtain water from underground supplies through the use of private wells. Even if there is a

preexisting well on a homeowner's lot, a well driller or well drilling company must be contracted with and the necessary permit(s) obtained before new well construction can begin.

Well drillers operate the machinery to drill wells to supply groundwater to users; they are also authorized to install any equipment necessary to draw or purify water from a well. Well drillers also estimate water needs of localities to determine locations and depths of drilling. Due to the geological diversity in Maryland, different methods and equipment for drilling are used based on the location of the site.

The State Board of Well Drillers licenses well drillers in three classes: master, journeyman, and apprentice. Within these classes of license are three categories: general, geotechnical, and water supply. There are also three types of restricted licenses (water conditioner installer, water pump installer, and well rig operator). These restricted license categories also have an apprentice class. In 2008, 599 individuals held a total of 619 licenses to actively practice in Maryland.

The State Board of Well Drillers is one of approximately 70 entities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as "sunset review" as most agencies evaluated are also subject to termination, including the State Board of Well Drillers which is scheduled to terminate July 1, 2011. The sunset review process begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC). LPC decides whether to waive an agency from further (or full) evaluation. If waived, legislation to reauthorize the agency typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

A preliminary sunset evaluation conducted by DLS in 2008 found that there is a continued need for regulation of well drillers and that the board has been fulfilling this function in a fair and efficient manner. Therefore, DLS recommended that the board be waived from full evaluation and that legislation be enacted to extend the board's termination date by 10 years to July 1, 2021. DLS also found that, while the board has fee-setting authority, it does not generate sufficient revenue to cover its expenditures on a biennial basis. Thus, DLS recommended that the board submit a report by October 1, 2009, on its plans to increase fees as well as improve data tracking capabilities. This bill implements those recommendations, as adopted by LPC at its December 16, 2008 meeting.

Additional Information

Prior Introductions: None.

Cross File: SB 117 (The President)(By Request - Department of Legislative Services) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 3, 2009
ncs/ljm Revised - Updated Budget Information - May 20, 2009

Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510