

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1254

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

Environmental Matters

Judicial Proceedings

Environment - Reduction of Lead Risk in Housing - Registration and Fees

This departmental bill alters the requirement for the owner of an “affected property” to renew registration on an annual basis, such that an owner may renew according to a schedule established by regulation by the Maryland Department of the Environment (MDE). In addition, the bill allows the annual fee for an affected property to be paid according to a schedule established by MDE regulations.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: MDE workloads decrease, and special fund expenditures may decrease negligibly, beginning in FY 2012 as the bill results in a more efficient distribution of the administrative burden involved in processing registration renewals and accounting of registration fees. Revenues are not materially affected; although the timing of the payment of registration fees to MDE could vary depending on the schedule adopted, it is assumed that total fee revenue in any given fiscal year remains unchanged.

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: 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: Chapter 114 of 1994 established the Lead Paint Poisoning Prevention Program within MDE. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties. The program also provides for limited compensation to children who are poisoned by lead. By December 31, 1995, the owner of an affected property must have registered that property with MDE. An owner who has registered an affected property must renew the registration of the affected property and pay the annual fee of \$15 by December 31 of each year. An “affected property” is one that is built before 1950 or owned by a person electing to comply with the reduction of lead risk in the housing subtitle of the Environment Article.

MDE advises that the December 31 due date for registration renewal and payment of the annual fee for affected properties causes a significant administrative burden on the Lead Paint Poisoning Prevention Program. An overwhelming volume of data entry and accounting work results at the end of each calendar year, carrying over into the following year. This spike in workloads also results in minimal additional expenditures associated with compensating personnel at overtime rates. MDE advises that this can be addressed by staggering the registration renewal and annual fee payment due dates for the owners of affected properties.

According to the federal Centers for Disease Control and Prevention (CDC), adverse health effects exist in children at blood lead levels less than 10 micrograms per deciliter. No treatments are known to lower the blood lead levels for children with lead levels less than 10 micrograms per deciliter. Measuring blood levels below the 10 micrograms per deciliter threshold is difficult. Therefore, although CDC warns there are no safe blood lead levels, the 10 micrograms per deciliter threshold is the standard measure at which statistics are reported.

According to the most recent data available, the number of children with elevated blood lead levels has been decreasing at both the State and national level. At the State level, out of the 107,416 children age six who were tested for lead in 2009, 554 (0.5%) were found to have blood lead levels greater than 10 micrograms per deciliter. This compares with 23.9% in 1993, the first year in which these data were tracked, and is the seventeenth straight year in which the rate has dropped in Maryland. According to MDE, lead paint dust from deteriorated lead paint or home renovation is the major source of exposure for children in Maryland.

MDE advises that, while the incidence of blood lead poisoning continues to decrease, the children with elevated blood levels of lead are likely to live in homes not covered by Maryland’s lead law, such as owner-occupied or rental properties built between 1950 and 1978, the year the federal lead law went into effect.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Baltimore City, U.S. Centers for Disease Control and Prevention, Department of Legislative Services

Fiscal Note History: First Reader - March 14, 2011
mc/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Lead Rental Registration Fees

BILL NUMBER: HB 1254

PREPARED BY:
(Dept./Agency) Department of the Environment

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

There are approximately 90,000 pre-1950 residential rental units subject to an annual registration fee. These units are owned by at least 30,000 property owners. An indeterminate number of the property owners may be small businesses. This bill would stagger the fees due by rental property owners, particularly those with large numbers of properties, to distribute their costs of compliance throughout the year.