HB 757

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 757 (Delegate Kaiser, *et al.*)

Environment and Transportation and
Health and Government Operations

Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program - Funding

This bill increases the per-barrel fee assessed on oil transferred into the State, beginning July 1, 2025, from 5.0 cents per barrel to 9.0 cents per barrel, and modifies existing provisions relating to fee abatement. Beginning in fiscal 2026, the Maryland Department of the Environment (MDE) must transfer 4.0 cents of the oil transfer fee revenues to the Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program in the Maryland Department of Health (MDH). An existing authorization for the Governor to include funding in the annual budget for the program is increased from at least $500,000 annually to at least $3.0 million annually. **The bill takes effect July 1, 2025, and terminates June 30, 2030.**

Fiscal Summary

State Effect: MDE special fund revenues increase by $2.7 million in FY 2026, $3.6 million annually through FY 2030, and $0.9 million in FY 2031 due to the fee increase. MDE special fund expenditures increase by $3.6 million annually from FY 2026 through 2030 due to the required transfer of fee revenues to MDH; MDH special fund revenues and expenditures increase correspondingly. However, as the bill effectuates a contingent special fund appropriation in the FY 2026 budget as introduced, MDE special fund expenditures increase by *an additional* $3.6 million in FY 2026 only, resulting in the need for $4.5 million in general funds (in FY 2026 only) for MDE to cover the anticipated deficiency in available special funds. Further, this analysis assumes the $400,000 in general funds currently provided to the program is no longer needed from FY 2026 through 2030.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	$6,265,000	$7,160,000	$7,160,000	$7,160,000	$7,160,000
GF Expenditure	$4,095,000	($400,000)	($400,000)	($400,000)	($400,000)
SF Expenditure	$10,760,000	$7,160,000	$7,160,000	$7,160,000	$7,160,000
Net Effect	($8,590,000)	$400,000	$400,000	$400,000	$400,000

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

Local Effect: Local grant revenues and expenditures may increase from FY 2026 through 2030, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary:

Oil Transfer Fee Abatement

Beginning in fiscal 2026, the oil transfer fee abatement required under current law (once the fund balance in the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund (Oil Fund) reaches or exceeds $5.0 million) may not exceed 5.0 cents per barrel for oil transferred into the State.

Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program

The Secretary of Health must use oil transfer fees that are transferred from MDE to the program exclusively for the program.

The Secretary may use up to 20% of program funds to support academic medical centers in collecting, analyzing, and processing program outcome data to assess and improve the effectiveness and clinical utility of the cancer screening funded by the program.

Current Law:

The Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and the Oil Transfer Fee

The Oil Fund was established in 1986 to provide funding to MDE's oil pollution prevention programs, such as permitting, enforcement, and oil spill response. A fee was imposed on each barrel of oil transferred into the State. The fee has been increased and extended multiple times since its establishment. Under current law, the fee is 5.0 cents per barrel.

Pursuant to current law, costs incurred by the State from the Oil Fund are required to be reimbursed by responsible parties; reimbursements are also deposited into the fund. When the fund balance from the monthly oil transfer fees equals or exceeds $5.0 million, the collection of the fees must be abated until (1) the fund balance from the fees is $4.0 million or (2) there is evidence that the fund balance could be significantly reduced by recent discharges.

Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program

Chapter 219 of 2019 established the Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program in MDH. The program provides grants to local fire departments and volunteer fire companies and departments to procure innovative cancer screening tests that are not otherwise conducted during routine physical examinations or covered by insurance. The goal of the program is to reduce cancer mortality among firefighters while advancing the adoption of novel technologies that may also benefit the health of Marylanders and the economy of the State.

Each year, MDH must issue a request for applications from local fire departments and volunteer fire companies or departments (the only entities eligible to apply for grants). The county where the department or company is located must assist the department or company with filing applications. Several criteria must be included in an application, including the number of firefighters proposed to be screened and a description of each test proposed. MDH must develop a weighting formula to rate each application and must prioritize applicants based on the quality of the application and the degree to which the proposed tests meet specified criteria. If MDH receives applications for grants totaling more than the amount of funds available for the program, MDH must award the grants on a *pro rata* basis.

Chapters 782 and 783 of 2024 repealed the $100,000 annual mandated appropriation for the program and instead authorized the Governor to include at least $500,000 in the annual budget for the program beginning in fiscal 2025. The fiscal 2025 budget as enacted included $400,000 for the program, as does the fiscal 2026 budget as introduced.

State Fiscal Effect:

Oil Transfer Fee Revenues and Required Transfers

MDE advises that approximately 90 million barrels of oil are transferred in the State each year. Additionally, MDE advises that the oil transfer fee is paid to MDE at a delay of one quarter, meaning that even though the 4.0-cent fee increase on each barrel of oil transferred in the State takes effect July 1, 2025, MDE does not realize these increased revenues until October 1, 2025. Thus, special fund revenues for the Oil Fund increase by an estimated $2.7 million in fiscal 2026 and by $3.6 million annually from fiscal 2027 through 2030 due to the increase in the fee from 5.0 cents per barrel to 9.0 cents per barrel. (Special fund revenues increase by $900,000 in fiscal 2031 as well due to the delay in the collection of the fee revenues.)

Because the bill requires, beginning in fiscal 2026, MDE to transfer 4.0 cents of the amount collected from the oil transfer fee to the program in MDH, approximately $3.6 million annually is transferred from MDE to MDH from fiscal 2026 through 2030, when the bill terminates. The Department of Legislative Services (DLS) notes that, due to the delay in the collection of fees (discussed above), the amount transferred to MDH in fiscal 2026 ($3.6 million) is greater than the increased fee revenue collected by MDE in that year ($2.7 million).

However, in the other four years that the fee is in effect (fiscal 2027 through 2030), there is no net effect on MDE's finances, as all additional fee revenues collected by MDE under the bill are transferred to MDH. It is assumed that MDE retains the remainder of the fees that are imposed in fiscal 2030 but collected in fiscal 2031 (due to the one-quarter delay in collections), as the bill terminates at the end of fiscal 2030, so there is no required transfer to MDH in fiscal 2031.

Contingent Appropriation Effectuated and the Need for General Funds for the Maryland Department of the Environment

The fiscal 2026 budget as introduced includes language that specifies that $3.6 million of the special fund appropriation for MDE's Land and Materials Administration is contingent on the enactment of legislation to increase the oil transfer fee. This bill effectuates that contingency; thus, MDE special fund expenditures increase by an *additional* $3.6 million in fiscal 2026 only.

Due to the delay in fee collections (as discussed above) and the mandated transfer to MDH (that exceeds the actual amount MDE collects in that year from the increased fee, as discussed above), MDE does not have sufficient special fund revenues or fund balance in fiscal 2026 to cover the contingent special fund appropriation and the mandated transfer to MDH in that year. Thus, this analysis assumes that general funds are needed to cover the deficiency in available special funds in fiscal 2026. As such, general fund expenditures for MDE increase by $4.5 million in fiscal 2026 only.

Maryland Department of Health

Special fund revenues for MDH increase by $3.6 million annually from fiscal 2026 through 2030 due to the transfer of fee revenues from MDE. The Secretary of Health is required to use the fees transferred to the program exclusively for the program. Therefore, MDH special fund expenditures increase correspondingly each year from fiscal 2026 through 2030. Given the availability of this funding, DLS assumes that the $400,000 in general fund support for the program is not needed during this five-year period. Accordingly, general fund expenditures for the program decrease by $400,000 annually from fiscal 2026 through 2030 (but resume in fiscal 2031 as the program is maintained in perpetuity).

MDH advises that no new positions were provided when the program was enacted, and the program has to date been supported with existing resources. However, given the magnitude of the increase in program funding provided by the bill, MDH needs to hire administrative staff to disburse additional grants. For purposes of this analysis, it is assumed that such administrative costs are covered by the special funds transferred to MDH under the bill; the bill merely states that MDH must use the fees "exclusively for the program," which presumably includes administrative costs.

Accordingly, a portion of the special funding ($98,198) is assumed to be used to hire one program administrator to oversee grant solicitation and review, monitor grantee activities, and communicate with grant applicants and awardees. This estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	$88,653
Other Operating Expenses	9,545
Total FY 2026 Personnel Expenditures	**$98,198**

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Even though the bill (and, as a result, the additional funding for the program) terminates at the end of fiscal 2030, it is assumed that this program administrator is retained to continue to manage the program, which does not terminate. Accordingly, the position is assumed to be converted to a general funded position when the program again relies on general funding beginning in fiscal 2031.

The balance of the funding available to the program under the bill likely consists of as much as $720,000 for academic medical centers and almost $2.8 million in grants to local fire companies and departments (assuming the academic medical centers are funded).

Academic Medical Centers

The bill allows the Secretary of Health to allocate up to 20% of program funds to academic medical centers. Thus, given the estimated $3.6 million in fee revenues to support the program from fiscal 2026 through 2030, as much as $720,000 may be provided to academic medical centers annually for data collection and analysis.

Local Fiscal Effect: Because the bill dedicates additional funding for the program in MDH through fiscal 2030, more funding is available for grants to local fire departments to procure innovative cancer screening tests. Accordingly local government revenues and expenditures increase to the extent that local governments apply for and receive grant funding and use that funding to provide cancer screenings for professional and/or volunteer firefighters. Available grant funding likely increases to almost $2.8 million under the bill, assuming academic medical centers are also funded.

Additional Comments: Senate Bill 250 of 2025, a departmental bill introduced on behalf of MDE, also increases the oil transfer fee by 4.0 cents per barrel to address a projected $4.0 million funding deficit for the Oil Control Program and its Emergency Response Division.

In fiscal 2024, 513 individuals were screened through the program. All the individuals were tested using the OneTestTM Premium by 20/20 GeneSystems, Inc., which is a multi-cancer early detection blood test that predicts an individual's risk of being identified as having cancer in the coming 12-month period. On average, the cost of each test was $192. The OneTestTM Premium is designed to detect 12 biomarkers that can aid in the detection of cancers. As the OneTestTM Premium only detects cancer risk and does not diagnose cancer, no cancers were detected by the test. However, among the individuals tested, the risk predictor for certain cancers was elevated in some of the individuals (breast, colon, liver, lung, ovarian, pancreas, prostate, and stomach).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced in the last three years.

Designated Cross File: SB 849 (Senator Guzzone) - Budget and Taxation and Finance.

Information Source(s): University of Maryland Medical System; University System of Maryland; Maryland Independent College and University Association; Department of Budget and Management; Maryland Department of the Environment; Maryland Department of Health; Department of Legislative Services

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