

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 940 (Senator Henson)
Education, Energy, and the Environment

Environment - Mobile Home Parks - Water Quality Testing

This bill requires the Maryland Department of the Environment (MDE) (1) develop and begin implementing a Mobile Home Park Water Quality Testing Program by January 1, 2027, and (2) develop a statewide action plan to address and improve water quality in mobile home parks by January 1, 2028. The bill establishes related water quality testing, remediation, and notice requirements for MDE and mobile home park owners. The bill also establishes related enforcement and penalty provisions.

Fiscal Summary

State Effect: Known MDE general fund expenditures increase by \$380,000 in FY 2027; future years reflect annualization, inflation, and known ongoing costs. MDE general fund expenditures increase *significantly further* beginning in FY 2028 for laboratory costs associated with water quality testing (which *may* include reimbursements to the Maryland Department of Health's (MDH) Laboratories Administration if MDH conducts the additional testing, as discussed below); MDH general fund expenditures and revenues *may* be likewise affected. State revenues are otherwise not materially affected. (Water quality testing costs are not quantified in the table below.)

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	\$0	-	-	-	-
GF Expenditure	\$380,000	\$561,700	\$876,000	\$961,200	\$1,003,100
Net Effect	(\$380,000)	(\$561,700)	(\$876,000)	(\$961,200)	(\$1,003,100)

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

Local Effect: It is assumed that affected local entities can implement the bill's changes with existing resources and that local finances and operations are not materially affected.

Small Business Effect: Meaningful.

Analysis

Bill Summary: MDE must coordinate with housing, health, or related agencies of local jurisdictions to identify potential funding, including grant money, to (1) support remediation; (2) improve water quality; and (3) enforce the bill's requirements.

Mobile Home Park Water Quality Testing Program

Required Program Components, Implementation Timeline, and Priorities: By January 1, 2027, MDE must develop and begin implementing a Mobile Home Park Water Quality Testing Program. In developing the program, MDE must (1) ensure that materials, information, and communications shared with residents are available in English, Spanish, and any other language requested by residents; (2) interview residents to understand any concerns with water quality, as specified; and (3) determine and approve a specific sampling plan for each park that requires water quality testing necessary to assess the quality and safety of finished water and evaluate resident concerns, as specified.

MDE must implement water quality testing under the program in accordance with the following timeline:

- by January 1, 2028, at 25% of the total number of parks;
- by January 1, 2029, at 50% of the total number of parks;
- by January 1, 2030, at 75% of the total number of parks; and
- by January 1, 2031, at 100% of the total number parks.

MDE must prioritize the required water quality testing as specified under the bill. If the number of requests for water quality testing under the program exceeds MDE's capacity to perform the testing, MDE must create a waiting list.

Field Sampling, Testing, Analysis, and Response to Findings of Water Quality Issues: MDE must (1) require any field sampling and analysis performed under the program to be conducted by a qualified professional, as determined by MDE, and (2) consider alternate testing methods to avoid testing within a mobile home without the resident's consent.

MDE may (1) decline a request to test finished water for a specific contaminant if specified conditions are met and (2) contract with a third party to perform the required testing. Any testing conducted under the program is in addition to any other testing that MDE performs for mobile home parks.

On a finding by MDE of a water quality issue, MDE must (1) perform or require the performance of additional testing, as specified; (2) provide notice of the water quality issue

in accordance with the notification requirements established by the bill (discussed in more detail below) and to the local housing agency and local health department (LHD); (3) review and approve any remediation plan prepared in accordance with the bill (discussed in more detail below) or deny the plan with written explanations and corrective recommendations to the plan; and (4) notify the residents, the local housing agency, and the LHD upon completion of the remediation.

Required Notification: Within 10 days of receiving the water quality test results performed under the program, MDE must provide written notice to the resident who requested the test (if applicable), the park owner, the LHD in the county where the park is located, the municipality in which the park is located, and the water supplier. If the test results identify a water quality issue, MDE must include in the notice a summary of the test results (and related specified information), information on any violation of water quality standards, and specified guidance.

Requirements for Park Owners: On receiving a notice from MDE under the above provisions, the park owner must (1) notify residents within five days; (2) provide the information and guidance provided by MDE to residents; (3) make the notice available in English, Spanish, and any other language requested by residents; (4) make an interpreter available, as necessary; (5) certify compliance with these requirements to MDE; (6) post the test results, as specified, in a conspicuous place in the common areas of the park; (7) keep the notice posted for at least 120 days; and (8) use professional translation services, if necessary.

On receiving a notice from MDE under the above provisions, the park owner must also:

- comply with any order issued by MDE; and
- within 120 days, in a manner required by MDE, (1) prepare and submit a remediation plan to MDE to address the water quality issue, including deadlines and status updates; (2) complete remediation based on a schedule set by MDE; and (3) consult with MDE and provide reasonable access to drinking water or approved filters, if necessary, to address acute health risks.

A park owner may not impose the cost of complying with the bill on the park residents.

MDE may issue an order to require park owner compliance with the above requirements. The park owner may appeal an order by requesting a hearing with MDE within 20 days of the receipt of an order.

Statewide Action Plan to Address and Improve Water Quality in Mobile Home Parks

By January 1, 2028, MDE must develop a statewide action plan to address and improve water quality in mobile home parks. In developing the action plan, MDE must conduct outreach to park residents to, among other things, gather information, receive input about water quality concerns, coordinate with residents to identify opportunities for improvement, consult or coordinate with specified entities, consider the results of any water quality testing to date, and collect relevant data about finished water.

The action plan must (1) include a status report of water quality testing to date; (2) develop a strategy for testing parks not yet tested; (3) identify opportunities to improve water quality, as specified; (4) include timelines for implementation; and (5) include a written description of how resident feedback was incorporated into the plan.

Enforcement

To enforce the bill, MDE must issue notices of violations, penalties, or enforcement orders. A park owner that fails to comply with the bill's requirements is subject to an administrative penalty of up to \$10,000 for each violation and \$5,000 for each successive month of continued violations. It is a violation of the bill to evict or threaten to evict a resident based on an action taken under the bill.

Nothing in the bill precludes a resident from taking legal action against a park owner.

Current Law:

Federal Safe Drinking Water Act and State Implementation

MDE is responsible for the primary enforcement (primacy) of the federal Safe Drinking Water Act (SDWA) in Maryland. This means MDE is charged with ensuring that water quality and quantity at all public water systems meet the needs of the public and comply with federal and State regulations. According to MDE's [Safe Drinking Water Act Annual Compliance Report for Calendar Year 2024](#) to the U.S. Environmental Protection Agency, routine compliance activities include regular on-site inspections of water systems to identify any sanitary defects, technical assistance, and a permitting process that helps ensure that systems obtain the best possible source of water. These standards generally do not apply to private drinking water wells. Rather, private well owners are responsible for the safety of their own wells after initial construction and certification is completed.

Specific requirements for public water systems are included under COMAR 26.04.01. Among other things, before constructing a new public water system, or increasing the capacity or significantly modifying an existing public water system, a construction permit

must be obtained from the approving authority. There are also several treatment requirements and maximum contaminant level standards.

Public water systems are systems that provide the public water for human consumption through pipes or other constructed conveyances and have at least 15 service connections or regularly serve at least 25 individuals.

Routine Monitoring and Sampling

Public water systems are required to sample and monitor for a variety of contaminants on a routine basis depending on the population served, source type, and historical monitoring data of the water system. Generally, the larger the population served by a water system, the more frequent the monitoring and reporting requirements. Violations can occur (1) when contaminants are found at levels exceeding the federally established maximum contaminant level; (2) for failure to monitor and/or report as required; (3) for failure to use required treatment techniques; or (4) for failure to notify the public under certain circumstances.

Notice Requirements for Drinking Water Violations, Generally

A water supplier must give notice to MDE and people served by the water system and give written notice to noncollegiate educational institutions, public schools, family child care homes, and child care centers when the water system (1) fails to comply with an applicable maximum contaminant level, treatment technique requirement, or testing procedure prescribed by a drinking water regulation or fails to perform required monitoring; (2) is subject to a variance granted for an inability to meet a maximum contaminant level or an exemption; (3) fails to comply with the requirements set by a variance or exemption; or (4) has concentration levels of an unregulated contaminant for which the State may require notice due to the risk of public health.

MDE is also in the process of promulgating related regulations to establish guidelines and requirements for public water systems when there are outages, flooded wells, and flooded springs. Among other things, the regulations and an anticipated guidance manual will (1) provide instructions to water systems on when and how to issue and lift a boil water advisory in response to an outage or flooded well or spring; (2) update public notice standards for when an outage or flooded well or spring occurs; (3) establish related disinfection procedures and standards; and (4) establish related water quality sampling standards that will dictate when a boil water advisory may be lifted.

Permitting and Water Supply Requirements for Mobile Home Parks

MDH regulations under COMAR 10.16.02 establish construction, equipment, sanitation, operation, and maintenance requirements for mobile home parks in the State. Generally, a person must have a permit issued by an approving authority to operate a mobile home park. The approving authority is the Secretary of Health or the Secretary's designee. MDH typically delegates permitting authority to LHDs. Among other things, regulations require a potable water supply to be provided for mobile home parks. If a private water supply is used, minimum treatment must be chlorinated by a method acceptable to the Secretary of the Environment or the Secretary's designee, and the water supply may not be installed, altered, improved, or used without specified written permission.

Mobile Home Park Owners – General Obligations

A mobile home park owner must meet specified general obligations, including that the park owner must (at all times) (1) comply with all applicable building, housing, zoning, and health codes; (2) keep the leased site and all permanent fixtures that the park owner provides in good repair; (3) keep the common areas and buildings in a good state of appearance, repair, safety, and cleanliness; (4) provide residents access to common areas at reasonable times, including their buildings and improvements, as specified; and (5) keep each utility service in good repair.

State Fiscal Effect:

Maryland Department of the Environment

Known MDE general fund administrative costs increase by \$380,017 in fiscal 2027, by \$561,719 in fiscal 2028, and by \$875,973 in fiscal 2029, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring two employees in fiscal 2027 (one natural resource planner and one regulatory and compliance engineer), five additional employees in fiscal 2028 (four natural resource planners and one regulatory and compliance engineer), and three additional employees in fiscal 2029 (two regulatory and compliance engineers and one natural resource planner) to (1) develop and implement the Mobile Home Park Water Quality Testing Program; (2) establish priority testing locations and conduct required water quality sampling; (3) conduct any necessary follow-up actions based on water quality test results, including providing notice, reviewing remediation plans, and performing any additional sampling as necessary; (4) develop the statewide action plan to address and improve water quality in mobile home parks; (5) coordinate with other agencies to identify potential funding sources to support remediation, improve water quality, and enforce the bill; and (6) generally implement and enforce the bill. It includes salaries, fringe benefits, one-time start-up costs (including the

cost to develop a database), and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- there are 314 known mobile home parks in the State, and 201 of these parks are not currently regulated as public water systems; because any testing performed under the bill is in addition to any other testing MDE already performs for mobile home parks, the drinking water quality oversight tasks under the bill substantially expand MDE's regulatory purview; and
- because the bill's requirements are outside the scope of the federal SDWA, and in the absence of any other identified funding source to support MDE's enforcement activities under the bill, general funds are needed.

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Positions (New)	2.0	5.0	3.0
Salaries and Fringe Benefits (Total)	\$161,735	\$510,302	\$828,595
Database Development Costs	200,000	0	0
Operating Expenses	<u>18,282</u>	<u>51,417</u>	<u>47,378</u>
Known MDE Expenditures	\$380,017	\$561,719	\$875,973

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

This estimate does not include any costs for water quality testing, which is discussed below.

Water Quality Testing Costs

MDH's Laboratories Administration provides analytical support services for State agencies and program offices throughout the State and is the primary laboratory in the State that conducts water testing for MDE and LHDs. The Laboratories Administration has a memorandum of understanding (MOU) in place with MDE to recoup related water testing costs. The Laboratories Administration anticipates that it is likely responsible for a substantial portion of the increased water testing and analysis under the bill and that it will need to purchase additional equipment and hire staff to meet the additional testing needs resulting from the bill.

In response to a request for information regarding the fiscal effect of the bill, MDH provided an estimate of costs to hire six public health laboratory scientists and purchase additional equipment and materials to conduct water quality testing under the bill – with estimated costs ranging from approximately \$481,300 in fiscal 2027 to more than \$1.0 million in fiscal 2031.

MDE also anticipates that it incurs water quality testing costs (estimated at \$100,000 annually beginning in fiscal 2028) but MDE has not indicated if it plans to contract with a third party to conduct the additional water quality testing – as it is authorized to do under the bill – or if it plans to rely on MDH’s Laboratories Administration instead.

The Department of Legislative Services concurs that (1) the bill requires a significant increase in water quality testing that must be conducted at mobile home parks in the State; (2) MDE likely incurs significant costs related to such water quality testing; and (3) as a result, there *may* be significant fiscal and operational impacts on MDH’s Laboratories Administration if MDH – and not a third party – conducts the additional water quality testing resulting from the bill.

A reliable estimate of any increase in costs for water quality testing cannot be made at this time, as the impact ultimately depends on several unknown factors.

Even so, general fund expenditures for MDE, and general fund expenditures and revenues (from reimbursement under the MOU) for MDH’s Laboratories Administration may increase, potentially significantly, beginning as early as fiscal 2028 to conduct additional water quality testing under the bill. Actual impacts on MDE general fund expenditures and MDH finances depend on the testing program developed under the bill and whether MDE contracts with a third party, rather than MDH, to conduct the required testing.

Penalty Provisions

The bill’s penalty provisions are not anticipated to materially affect State finances.

Small Business Effect: Compliance costs for mobile home park owners (who are prohibited from passing such costs on to park residents) are potentially significant for any park that is identified to have water quality issues. Park owners incur costs to notify residents, post required notices and information in multiple languages, comply with any orders issued by MDE, and prepare, submit, and implement remediation plans. They may also incur costs to conduct some water testing. To the extent that funding is identified to support remediation activities, some costs may be offset. Even so, it is likely that for at least some park owners, the costs to comply with the bill are substantial.

Additional Information

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

Designated Cross File: HB 1196 (Delegate J. Long, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of the Environment; Maryland Department of Health; Department of Housing and Community Development; Judiciary (Administrative Office of the Courts); Baltimore City Community College; University System of Maryland; Morgan State University; Maryland Association of County Health Officers; Maryland Environmental Service; Baltimore City; Prince George's County; City of Annapolis; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
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