

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 873 (Senator M. Washington)
 Education, Energy, and the Environment

Environment - Reduction of Lead Risk in Housing - Modified Risk Reduction Standard

This bill alters the conditions under which an owner of an affected property must satisfy the modified risk reduction standard under the Reduction of Lead Risk in Housing law. Current law establishes two scenarios that trigger the requirement for an owner of affected property to do so – one of which is altered by the bill. More specifically, current law requires an owner of affected property to satisfy the modified risk reduction standard within 30 days after receipt of notice that a person at risk who resides in the property (1) has an elevated blood lead level *and* (2) *an environmental investigation has concluded that there is a defect at the affected property*. The bill repeals the requirement for an environmental investigation to have concluded that there is a defect at the affected property. Instead, the requirement to satisfy the modified risk reduction standard within 30 days is triggered immediately upon receipt of notice that a person at risk who resides in the property has an elevated blood lead level. (The bill does not alter the other condition that triggers the requirement to satisfy the modified risk reduction standard – the receipt of written notice that a defect is found in affected property in which a person at risk resides.)

Fiscal Summary

State Effect: Special fund expenditures increase by \$211,000 in FY 2027; future years are annualized and reflect ongoing costs and inflation. The bill is not anticipated to materially affect State revenues.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	211,000	177,400	185,600	193,800	202,100
Net Effect	(\$211,000)	(\$177,400)	(\$185,600)	(\$193,800)	(\$202,100)

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

Local Effect: Local expenditures may increase for some locally owned or operated housing entities to meet the modified risk reduction standard in additional cases. Local revenues are not affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Analysis

Current Law:

Overview of Maryland's Lead Poisoning Prevention Program

Chapter 114 of 1994 established the Lead Poisoning Prevention Program within the Maryland Department of the Environment (MDE). The program serves as the coordinating agency of statewide efforts to eliminate childhood lead poisoning. Under Title 6, Subtitle 8 of the Environment Article (Reduction of Lead Risk in Housing), MDE assures compliance with mandatory requirements for lead risk reduction in rental units built before 1978; maintains a statewide listing of registered and inspected units; and provides blood lead surveillance through a registry of test results of all children tested in Maryland. The Lead Poisoning Prevention Program also oversees case management follow-up by local health departments for children with elevated blood lead levels; certifies and enforces performance standards for inspectors and contractors working in lead hazard reduction; and performs environmental investigations for lead poisoned children. Finally, the program provides oversight for community education to parents, tenants, rental property owners, homeowners, and health care providers to enhance their role in lead poisoning prevention.

Risk Reduction Standard

The owner of an affected property must satisfy the risk reduction standard at the initial and each subsequent change of occupancy by passing the test for lead-contaminated dust. At each change in occupancy, an owner of affected property must have the property inspected to verify that the risk reduction standard has been satisfied. An accredited lead paint visual inspector or lead paint risk assessor must conduct the inspection and issue a certificate, either passing or failing, for every inspection performed.

Modified Risk Reduction Standard

The owner of an affected property must satisfy the modified reduction risk standard within 30 days after receipt of specified written notice that (1) a person at risk who resides in the property has an elevated blood lead level greater than or equal to 3.5 micrograms

per deciliter *and* an environmental investigation has concluded that there is a defect at the affected property or (2) a defect is found in a property in which a person at risk resides. Within 30 days after receipt of written notice, an owner must perform and pass a specified lead dust test and perform specified lead hazard reduction treatments.

A property owner may comply with the modified risk reduction standard by providing for the temporary relocation of tenants to either a lead-free dwelling unit or another dwelling unit that has satisfied the risk reduction standard for an affected property within 30 days after the receipt of a notice of an elevated blood lead level or a notice of defect.

State Expenditures: Special fund expenditures for MDE increase by \$210,999 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring two environmental compliance specialists to (1) issue additional notices to owners of affected property regarding the need to satisfy the modified risk reduction standard and (2) handle a significant increase in enforcement activities. It includes salaries, fringe benefits, one-time start-up costs (including the purchase of lead testing equipment and an upgrade to MDE’s enforcement database), and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- every elevated blood lead level report that MDE receives triggers the requirement for affected landlords to meet the modified risk reduction standard (instead of waiting to confirm that there is a defect at the property);
- MDE receives between 1,000 and 1,500 elevated blood lead level reports annually and anticipates a 30% to 40% increase in active case management workload from cases that would otherwise be closed because the initial environmental investigation would otherwise find no defect at the property (*i.e.*, the source for the elevated blood lead level is from a source other than the affected property, such as a daycare or a relative’s home); and
- existing staff cannot handle the additional workload resulting from the bill.

Positions	2.0
Salaries and Fringe Benefits	\$129,967
Database Upgrade Costs	25,000
Other Operating Expenses	<u>56,032</u>
Total FY 2027 State Expenditures	\$210,999

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

Local Expenditures: Local expenditures for local public housing authorities may increase to meet the modified risk reduction standard for affected properties without confirmed

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defects due to a person at risk who resides in the property having a documented elevated blood lead level. According to MDE, meeting the modified risk reduction standard costs between \$2,000 and \$5,000.

Small Business Effect: Similar to the impact on local public housing authorities described above, landlords may need to meet the modified risk reduction standard for affected properties without confirmed defects due to a person at risk who resides in the property having a documented elevated blood lead level.

On the other hand, there may be a meaningful increase in the demand for small businesses that provide modified risk reduction treatments, such as window friction reduction, floor smoothing, and HEPA cleaning.

Additional Information

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

Designated Cross File: HB 1547 (Delegate Rosenberg) - Economic Matters.

Information Source(s): Maryland Department of the Environment; Maryland Association of County Health Officers; Department of Legislative Services

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