



**The Maryland Department of the Environment
Secretary Serena McIlwain**

***Senate Bill 964
Dorchester County – Well and On-Site Sewage Disposal Activities –
Privatization Program***

Position: Support with Amendments
Committee: Education, Energy, and the Environment
Date: February 25, 2025
From: Alex Butler, Deputy Director of Government Relations

The Maryland Department of the Environment (MDE) **SUPPORTS SB 964 WITH AMENDMENTS.**

Bill Summary

Senate Bill 964 authorizes MDE, upon request from Dorchester County's government and its local health department, to establish a pilot program allowing private licensed environmental health specialists to perform certain well and septic system permitting activities on behalf of the Dorchester County Health Department. The bill also includes protective “guardrails” and MDE would continue to provide oversight, ensuring that all privatized activities adhere to Maryland’s stringent environmental and health regulations.

Position Rationale

MDE supports the concept of a pilot program. Environmental health specialists are responsible for a variety of critical public health functions, including food safety and well and septic system permitting. Currently, there is a nationwide shortage of environmental health specialists and this shortage is particularly felt in smaller and more rural jurisdictions, such as Dorchester County. Inadequate environmental health specialist staffing can lead to permitting and inspection delays, poor customer service and communication, and additional stress on existing health department staff. A privatization pilot program, with appropriate MDE oversight and guardrails, could help address these challenges. Additionally, the lessons learned from such a program would help inform whether the use of private environmental health specialists should be considered more broadly in the future.

However, there are also potential drawbacks to such a privatization program, including licensure and qualification requirements, liability and indemnification issues, ethics and conflict of interest challenges, public records issues, and the potential for price gouging. As such, MDE is offering amendments that provide more explicit guardrails relating to several of these concerns.

With the offered amendments, MDE believes that there are adequate safeguards in place to consider the supplemental use of licensed private environmental health specialists in the well and septic permitting process in Dorchester County. Accordingly, MDE asks for a **FAVORABLE WITH AMENDMENTS** report for SB 964.

[Amendments on next page]

Contact: Alex Butler, Deputy Director of Government Relations
Email: alex.butler@maryland.gov

Amendments

AMENDMENT NO. 1

[Adds specific requirements relating to insurance and indemnification, procurement, ethics and conflict of interest, and Public Information Act requests]

On page 2, in line 16, strike “AND”; and in line 18, after “MECHANISMS” insert:

“(VI) REQUIRE, AS PART OF THE PRIVATIZATION PROGRAM THAT ANY PARTICIPANT CARRY APPROPRIATE INSURANCE AND PROVIDE FINANCIAL ASSURANCES, INCLUDING INDEMNIFICATION OF THE STAT, AND BONDS, LETTERS OF CREDIT OR SIMILAR FINANCIAL SECURITY, THE AMOUNTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT;

(VII) ENSURE THAT THE PRIVATIZATION PROGRAM COMPLIES WITH APPLICABLE PROCUREMENT LAWS;

(VIII) ESTABLISH APPROPRIATE ETHICS POLICIES, INCLUDING CONFLICT OF INTEREST STANDARDS, FOR THE PRIVATIZATION PROGRAM; AND

(IX) REQUIRE A PARTICIPANT TO TRANSFER ANY RECORDS RELATED TO THE PRIVATIZATION PROGRAM TO THE DELEGATED APPROVING AUTHORITY AT WHICH TIME SUCH RECORDS WILL BE PUBLIC RECORDS SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS ARTICLE”.

AMENDMENT NO. 2

[Makes additional clarifications to some of the bill’s existing requirements and program safeguards]

On page 2, in line 28, strike “IN” and substitute “BY”.

On page 3, in line 1, after “DEMONSTRATED” insert “SATISFACTORY”; in line 5, after “OR” insert “REQUESTED BY THE”; in the same line, after “AUTHORITY” insert “TO ENSURE THE QUALITY OF THE WORK PERFORMED UNDER THE PRIVATIZATION PROGRAM”; and in line 8, after “PROGRAM” insert “, CONSISTENT WITH THE DELEGATION OF AUTHORITY BY THE DEPARTMENT”.