

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1173 (Delegate Oaks, *et al.*)
Environmental Matters

Environment - Reducing Lead Risk in Housing - Risk Reduction Standard

This bill requires an owner of affected property under the Reduction of Lead Risk in Housing Program to satisfy the risk reduction standard at each change of occupancy by passing the test for lead contaminated dust *and* performing specified lead hazard reduction treatments. Currently, an owner has the option of either passing the test for lead contaminated dust *or* performing specified lead hazard reduction treatments.

Fiscal Summary

State Effect: The bill's changes could be handled with existing budgeted resources.

Local Effect: The bill could impose a significant but indeterminate cost on municipally owned housing entities.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 114 of 1994 established the Lead Paint Poisoning Prevention Program in the Maryland Department of the Environment (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 first acquires affected property after that date must register the property within 30 days of acquisition. At each change in occupancy, before the next

tenant occupies the property, an owner must satisfy the risk reduction standard by passing the test for lead contaminated dust *or* performing specified lead hazard reduction treatments. An affected property is exempt from the risk reduction standards under specified conditions.

The specified treatments include • a visual review of all painted surfaces; • the removal and repainting of flaking paint on all painted surfaces; • the repair of any structural defect that is causing paint to flake that the owner should have knowledge of; • stripping and repainting, replacing, or encapsulating all interior windowsills with vinyl, metal, or any other material approved by the department; • ensuring that caps of vinyl, aluminum, or any other material approved by the department are installed in all window wells; • fixing the top sash of all nontreated windows; • rehanging all doors necessary to prevent the rubbing together of a lead-painted surface; • making all bare floors smooth and cleanable; • ensuring all kitchen and bathroom floors are overlaid with a smooth, water-resistant covering; and • HEPA vacuuming and washing of the interior of the affected property with high phosphate detergent or its equivalent, as determined by the department.

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 housing subtitle of the Environment Article.

Local Fiscal Effect: The bill could cause local governments to incur significant costs for the treatment of affected properties they own. For example, Baltimore City advises that compliance with the requirement in this bill could cost \$3.2 million for the replacement or treatment of doors, windows, and window sills in its 5,177 affected housing units and 774 scattered sites. In Maryland, housing authorities are public bodies corporate and politic generally dependent on federal funds and rents collected from tenants. Baltimore City advises that regardless of the source of its funds, an expenditure of this magnitude will affect other Baltimore City housing resources.

Background: Lead poisoning impacts the cognitive and physical development of young children. Children are exposed to lead through breathing lead paint dust, eating lead paint chips, or absorbing lead while in-utero. Most exposures can be eliminated by removing lead paint from the homes of children and pregnant women. Although the number of children with elevated blood lead levels in Maryland has decreased significantly over the past dozen years (from nearly 12,000 in 1995 to 1,274 in 2006) and the number of children tested continues to grow, lead paint still remains a significant health issue in Maryland.

Small Business Effect: According to MDE, approximately 43,000 property owners have registered their properties with MDE under the Reduction of Lead Risk in Housing Program. There are approximately 135,000 pre-1950 rental units; of these, 43,000 have

been certified lead free. Accordingly, about 92,000 units are subject to the risk reduction requirements. Affected landlords would incur increased costs to comply with the bill's changes, while businesses performing the risk reduction treatments and inspections would benefit from an increase in the demand for their services. MDE advises that a dust test costs approximately \$300 per unit, and risk reduction treatments range from \$800 to \$2,500 per unit. In addition, visual inspections cost \$40 per unit.

Additional Information

Prior Introductions: An identical bill, HB 1446 of 2006, was heard before the House Environmental Matters Committee. No further action was taken.

Cross File: None.

Information Source(s): Public Housing Authorities Directors Association, Maryland Department of the Environment, Department of Housing and Community Development, Baltimore City, Department of Legislative Services

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