



**BILL NO.:** Senate Bill 873

**TITLE:** Reduction of Lead Risk in Housing – Creation of Lead Poisoning Compensation Fund

**POSITION:** **SUPPORT WITH AMENDMENTS**

**DATE:** March 14, 2012

**COMMITTEE:** Finance

**CONTACT:** Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** Senate Bill 873 **WITH AMENDMENTS**. The bill would establish a Lead Poisoning Compensation Fund and assess a fee that residential property owners must pay if their units were built before 1978. The fee would be collected by the county in which the property is located through the property tax. The fund would be used to provide insurance to rental property owners who may no longer be able to obtain insurance due to a recent ruling by the Maryland Court of Appeals that removes the limits on landlord liability for the payment of lead paint claims.

Whereas, MACo supports the premise of the legislation, it is concerned with the costly, administrative complexities SB 873 would place on the counties to collect the fee through the property tax. MACo respectfully requests that the bill be amended to relieve the counties of this mandate.

The sending of property tax bills is an automated process. Each county downloads a file directly from the State Department of Assessments and Taxation (SDAT) and then using its own software, creates property tax bills to send to homeowners by July 1 of each year. Although programming changes may be required at the local level, the information comes as one discreet file from SDAT.

While counties may currently collect certain fees for the State through the property tax, the fields used to determine the imposition of these fees are fields within the data file downloaded from SDAT. The data needed for the purpose of SB 873 is not maintained by SDAT and therefore, would require additional information to be appended to this file or data to be data entered to enable counties to determine property owners liable for the fee and the amount of the fee since those in compliance pay one fee and those in noncompliance pay another. Its MACo's understanding that the Maryland Department of Environment (MDE) does maintain this

data. However, incorporating it into the current property tax billing file would result in additional programming cost and staff time. Further, it is not clear how such a process would work with data being housed in two different agencies. To maintain the integrity of the file, MACo would want to ensure that the file used for property tax billing came directly from SDAT.

Although, the bill requires SDAT and MDE to assist with identifying liable property owners and determining the fee, the bill as drafted places this responsibility on counties. Counties do not have access this information. MACo would argue that if MDE maintains this information, it should be the entity responsible for verifying the data and collecting the fee.

Lastly, the bill would require the counties to maintain the fees collected in a separate account and then remit them to the Comptroller. This again places an administrative burden on the counties.

For these reasons, MACo urges the Committee to **SUPPORT SB 873 WITH AMENDMENTS** to remove the mandate being placed on counties to collect these fees and to develop an appropriate process for its collection.