HB 1254

Department of Legislative Services

Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1254 (Delegate Walkup)
Environmental Matters

Redeposit of Dredge Spoil - Historical Natural Islands

This bill prohibits the Maryland Department of Transportation (MDOT) from approving the construction of a contained area in the waters of the Chesapeake Bay for the redeposit of spoil, including Baltimore County tributary spoil, or for the dumping, depositing, scattering, or releasing of sewage sludge or any dredged material. MDOT may approve the construction of a contained area for the redeposit of spoil, including Baltimore County tributary spoil, on a historical natural island or existing island. A contained area approved pursuant to the bill may not be used for the redeposit of spoil from Baltimore Harbor or the dumping, depositing, scattering, or release of sewage sludge. MDOT must use spoil dredged from the approach channels, including the Chesapeake and Delaware Canal, the Brewerton Channel, and the Tolchester Channel, in the course of regular maintenance to restore shorelines that have eroded and as a mineral resource for commercial and industrial purposes.

Fiscal Summary

State Effect: In the short term, the bill would not materially affect State operations or finances. In the long term, the bill could result in a significant increase in Transportation Trust Fund expenditures related to the placement of dredged material. The bill could also result in a decrease in the federal share of costs for the transportation of dredged material.

Local Effect: Minimal.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Except for dredge spoil from local dredging projects initiated by Baltimore County in the waters of Baltimore County, the Maryland Department of the Environment (MDE) may not approve any contained area for the redeposit of spoil within five miles of the Hart-Miller-Pleasure Island chain in Baltimore County. A contained area may not exceed the approximately 1,100 acre size provided in the projects U.S. Army Corps of Engineers permit dated November 22, 1976. Except for dredge spoil from local dredging projects initiated by Baltimore County in the waters of Baltimore County, only spoil from the excavation or dredging of Baltimore harbor, its approach channels, and specified Baltimore County tributary spoil may be redeposited in a contained area. The dumping of material dredged from the Chesapeake Bay or its tidal tributaries is prohibited in the deep trough, an area defined as any region that is south of the Chesapeake Bay Bridge and north of a line extending westerly from Bloody Point and has a depth exceeding 60 feet.

Background: Dredged material is collected as a result of the need to periodically dredge the bottom of the major approach channels to the Port of Baltimore, as well as the port itself, to ensure that these waterways are deep enough to allow ships to enter and exit without scraping the bottom. According to the Maryland Port Administration (MPA), about four to five million cubic yards (mcy) of material has to be dredged from the Chesapeake Bay annually to maintain shipping channels to Baltimore. Over time, the amount of dredged material is expected to increase to accommodate the increasing size of new ships. Additional dredged material will result from several planned channel improvement projects.

According to the MPA, the total amount of dredged material that will need to be disposed of between fiscal 2001 and fiscal 2020 is approximately 109 million cubic yards. Current placement capacity at existing sites is estimated at approximately 66 million cubic yards. The MPA is currently considering several options for the near term (five -ten years) and the long-term placement of dredged material.

State Fiscal Effect: The MPA advises that this bill would limit the future placement options for dredged material. Several sites under consideration for both the near-term and long-term placement of dredged material would be prohibited as a result of this bill. The MPA advises that by restricting the placement of dredged material to historical or natural islands, the bill essentially eliminates all upper bay options and would require the use of sites further down the bay. According to the MPA, the cost of placing dredged material in upper bay sites averages from $8 to $11 per cubic yard. Sites further down bay, however, range from $15 to $25 or more, primarily due to an increase in the distance the dredged material would have to be transported. Transportation costs for dredged

material total $.10 per mile per cubic yard. Because the MPA has not yet chosen sites for the placement of dredged material, the actual increase in costs cannot be estimated at this time. *For illustrative purposes,* assuming that the bill results in an increase in distance of 50 miles for the transportation of 3.5 million cubic yards per year (the average amount of material dredged annually for maintenance from navigational channels of the Chesapeake Bay, excluding Baltimore Harbor), the bill could result in an increase in special fund expenditures for dredged material management by an estimated $17.5 million annually.

The MPA also advises that the bill would most likely result in a loss of federal funds. While the federal government provides funds for the transportation of dredged material, it is not required to accept State law in determining the base costs it uses to calculate the federal share of such costs. Accordingly, to the extent that the bill results in the use of an alternative placement site that is more costly than the base site used by the federal government, the federal cost share may be reduced.

The provision that requires MDOT to use spoil dredged from the approach channels to restore shorelines and as a mineral resource is not anticipated to significantly affect State operations or finances because the MPA advises that it already plans to use spoil for those purposes when feasible.

Small Business Effect: If dredged material disposal sites are not identified and brought online within the next several years, dredging in the bay could be limited as there will be fewer sites on which to redeposit the spoil. This could result in the loss of cargo ships that can enter Baltimore Harbor. To the extent that this happens, any small business relying on the port for economic activity will be impacted.

Additional Information

Prior Introductions: HB 68, SB 26/HB 40, HB 662, and HB 25 of 2000 all related to the dumping of dredged material. The Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee held hearings on the bills. HB 68 passed the House and was referred to the Senate Economic and Environmental Affairs Committee, but no further action was taken. HB 25, HB 40, and HB 662 all received unfavorable reports by the House Environmental Matters Committee. In the 1999 session, SB 325/HB 756, SB 465, HB 624, HB 910, HB 912, and HB 954 also dealt with dumping of dredged material. The Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee held hearings on the bills. The House Environmental Matters Committee reported HB 756 favorably.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Maryland Department of Transportation (Maryland Port Administration), Department of Legislative Services

Fiscal Note History: First Reader – February 26, 2001
ncs/cer

Analysis by: Lesley Frymier

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510