

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1537 (Delegate Arnick)
Environmental Matters

Transportation - Study Committee on an Independent Port Authority

This bill creates a committee to study the feasibility of creating an independent port authority to operate the Port of Baltimore. The committee must also evaluate the effect of creating such an authority on the port, the Maryland Department of Transportation (MDOT), and the Transportation Trust Fund (TTF) and study how competing ports are managed, including the role of state and local government. The Department of Legislative Services will staff the committee. The committee must report its findings and recommendations regarding governance of the port to the Governor and the General Assembly by January 1, 2006.

The bill takes effect July 1, 2005 and terminates June 30, 2006.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for Legislative Services are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Port of Baltimore is run by the Maryland Port Administration (MPA), a division of MDOT, and by the Maryland Port Commission. MPA has the authority to propose regulations, fix and revise rates and fees, acquire property, and

create private operating companies to operate port facilities. The commission, appointed by the Governor and chaired by the Secretary of Transportation, creates the policies and regulations for operating the port.

Under Chapter 9 of 1990, the General Assembly declared its legislative policy concerning public operation of the port. It stated that ports and harbors are assets of value to the entire State and that MPA should have the power, if private facilities are inadequate or inadequately operated, to construct and, if necessary, operate any supplementary public facilities.

Background: MPA has 307 authorized positions and a budget of \$199.8 million for fiscal 2005. The Governor's proposed fiscal 2006 budget includes an allowance of \$181.1 million and 296 authorized positions. MPA's terminals at the port handled 85% of the foreign general cargo (*e.g.*, automobiles, containers, forest products) and received a total of 7.4 million tons of general cargo in fiscal 2004. This accounts for 20% of the port's total cargo facilities. Most of the port's bulk cargo (ore, coal, grain, etc.) is handled by private terminals. MPA's estimated fiscal 2005 net income is \$2.4 million.

Over 100 public ports operate in the United States and U.S. territories. Public port agencies include port authorities, special purpose navigation districts, bi-state authorities and departments of state, county, and municipal government. The Port of Baltimore ranked nineteenth in United States cargo volume in 2003.

Additional Information

Prior Introductions: An identical bill, HB 21, was introduced in the 2004 session, but was withdrawn.

Cross File: None.

Information Source(s): Maryland Department of Transportation, American Association of Port Authorities, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2005
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