

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

Senate Bill 841 (Senator Lenett)
 Education, Health, and Environmental Affairs

Environment - Landfills - Methane Testing

This bill requires the Maryland Department of the Environment (MDE) to conduct a study of each landfill that has been closed for at least five years for the presence of methane emissions and the potential to use any methane emissions for electricity generation. On the completion of each study, MDE must report its findings to the Senate Education, Health, and Environmental Affairs Committee; the House Environmental Matters Committee; and the Director of the Maryland Energy Administration.

Fiscal Summary

State Effect: General fund expenditures may increase by \$215,100 in FY 2010 and by \$189,100 by FY 2014 for MDE to retain contractual assistance to implement the bill within five years. Expenditures may change to the extent MDE chooses to extend or contract its deadline for completion of all studies and reports required by the bill. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	215,100	189,100	196,900	205,000	213,400
Net Effect	(\$215,100)	(\$189,100)	(\$196,900)	(\$205,000)	(\$213,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local government revenues may increase in future years in jurisdictions in which a municipal landfill possesses saleable quantities of methane gas. Expenditures may increase to the extent MDE discovers conditions that require remediation during its study of landfill methane.

Small Business Effect: Potential minimal.

Analysis

Current Law: State and federal law requires the comprehensive regulation of solid waste disposal, including permitting, inspection, monitoring, closure, and post-closure activities. In addition, State regulations require the monitoring of methane gas migration in permitted landfills to prevent explosive concentrations from developing. Recently, regulations were developed as part of the MDE carbon dioxide budget trading program in order to award valuable offset credits for the sponsor of a landfill methane capture and destruction project.

Background: Currently, 34 of the 97 permitted landfills in Maryland that have been closed for five years are already utilizing methane by burning it or extracting it for electricity generation or heating purposes. One of these landfill methane extraction projects is the result of a federal partnership with the U.S. Environmental Protection Agency's Landfill Methane Outreach Program. This free program provides technical assistance and software to assess a potential project's economic feasibility and assists in locating financing for projects. An additional landfill methane extraction project is now inactive.

State Expenditures: General fund expenditures increase by \$215,106 in fiscal 2010, which accounts for the bill's October 1, 2009 effective date. This estimate reflects the cost of retaining two contractual geologists, one contractual attorney, and one administrative specialist within MDE's Solid Waste Program to conduct the studies and prepare the reports required by the bill, and to procure certain equipment. Currently, the Landfill Operations Division is staffed by six permanent full-time geologists and engineers and overseen by a permitting division chief.

	<u>FY 2010</u>	<u>FY 2011</u>
Contractual Salaries and Fringe Benefits	\$133,204	\$172,812
Operating Expenses	81,902	16,310
Total MDE Expenditures	\$215,106	\$189,122

Future year expenditures reflect full salaries with 4.4% annual increases, 6.8% employee turnover, and 1% annual increases in ongoing operating expenses. MDE advises that, with the assistance of four additional positions, the study of all currently closed landfills may take about five years to complete. Thus, it is expected that by around fiscal 2015 the contractual positions created by the bill will no longer be necessary, and any landfills that subsequently become closed for a period of five years can be studied by existing staffing levels at MDE. If MDE opts to study each landfill within a shorter time period, more contractual assistance will be necessary for at least fiscal 2010.

Local Fiscal Effect: Local government workloads or expenditures may increase as an indirect result of the landfill studies conducted. MDE advises that, by requiring extensive monitoring of methane migrations within landfills, MDE may discover conditions requiring remediation by the municipal owners of the landfill.

Additional Comments: This fiscal analysis does not include the study of the approximately 500 dumpsites estimated by MDE to exist in Maryland. Although most dumpsites are much smaller than permitted landfills, the larger number of sites would require significantly more expenditures for contractual resources under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Calvert and Montgomery counties, Baltimore City, Maryland Department of the Environment, Maryland Energy Administration, Maryland Environmental Service, North East Maryland Waste Disposal Authority, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2009
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