

March 26, 2024

Senator Brian Feldman, Chair
Senator Cheryl C. Kagan, Vice Chair
Senate Education, Energy, and the Environment Committee
11 Bladen St., Annapolis, Maryland

HB 245 – UNFAVORABLE – Department of the Environment – Fees, Penalties, Funding, and Regulation

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee:

Please accept this testimony as our formal opposition to **House Bill 245 – Department of the Environment – Fees, Penalties, Funding and Regulation.**

Pleasants Companies, LLC and affiliated companies engages in mining, construction, development, asphalt production and waste management operations throughout the State of Maryland. We have been in business for over 50 years and currently operate on over 500 acres of land. Pleasants' operations proudly employ more than 700 employees throughout central Maryland. We provide long-term, stable employment opportunities.

House Bill 245 increases permitting fees within the surface mining program in the Department of the Environment (MDE). While I recognize that these permit fees have not increased in some time, I am extremely concerned by the rates of these increases - more than 10 times the current fee. This is simply unsustainable to our businesses and not something we can or should absorb.

Currently, the annual permit fee for the surface mining program is capped at \$1,000. The amended bill raises that cap to \$10,000 in Fiscal Year 25 (just a few months from now) and further increases the fee to \$12,000 by Fiscal Year 29. **This is a 1,100 percent increase and it will cost our industry over \$1 Million annually!!**

These permit fees will be the highest in our region by far. Compared to states like Virginia, where the fee is \$24 per disturbed acre with an annual license fee of \$330, Maryland's approach will significantly increase operational costs for larger projects. This discrepancy will make Maryland less competitive in attracting large-scale developments or operations. Maryland's fee structure adds a layer of complexity and unpredictability, with fees increasing annually. By contrast, West Virginia offers a straightforward \$500 renewal fee for a five-year period, providing businesses with cost stability and predictability. Maryland's proposed fee structure stands out as potentially the most burdensome. Pennsylvania's model, based on permit type and activities (like blasting), allows for a more nuanced approach that could be seen as more favorable for specific operations.


It is important to note that when enacting § 15-802 of the Environment Article, the Maryland General Assembly declared that the extraction of minerals by mining is a basic and essential activity, making an important contribution to the economic well-being of the State and the Nation. Making surface mine permit holders pay these significantly increased fees annually jeopardizes

the mining of Maryland's recognized assets. The fee increases will jeopardize Maryland mining operations and require importation of these resources from other states at significantly higher costs, including transportation, for all kinds of construction projects as well as concrete and asphalt plants. Moreover, many mine operations in Maryland are intentionally less active so that operators can continue to supply local needs over longer periods of time. They must maintain these permits because to do otherwise would involve lengthy re-approval processes both with the local zoning authorities and MDE.

Given this, our industry strongly recommends creating a workgroup over the interim to review the surface mining program to appropriately assess the program's status and needs to recommend a more appropriate and manageable fee structure.

We appreciate you taking the time to consider our input and request. Pleasants Companies respectfully requests an **UNFAVORABLE** report on House Bill 245.

Thank you,



William D. Pleasants, Jr.
President
Pleasants Companies LLC