



January 31, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

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

Dear Chair Korman and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 245 is an omnibus Departmental bill that increases permitting fees within various programs in the Department of the Environment (MDE). We recognize that many of these fees have remained untouched for years, sometimes decades, but we are extremely concerned by the rates of these increases, in some cases 10 times the current cost. We also do not understand MDE’s intent with these increases—will this be a one-time jump or should we anticipate more increases over the coming years. Current law states that the fees shall cover the reasonable costs of reviewing applications for the permits and the reasonable costs in implementing and enforcing the terms of the permits. Some of these increases will result in substantial increases that when applied across the industry as a whole will result in permitting revenues that would seem to exceed the costs they are meant to cover—what will MDE do with these excess funds, beyond the costs of administering the programs?

We are particularly concerned about aspects related to the section on surface mining permits (starting on Page 35). We understand the fees have not been increased in 30 years, and our members agree there should be some amount of increase, but by removing the cap entirely, this changes the fee structure by 10 times for some of our members. One member company’s annual cost would go from \$7,000 to \$107,000 and other would jump from \$11,100 to \$111,000 annually.

This is an unmanageable increase that disproportionately impacts mines with large surface acreage. It is not shared proportionately with the other mines in Maryland. We respectfully request that the cap be put back into the surface mining program and would like to offer a reasonable alternative, recognizing that fees do need to increase. First, we think the application fee should be increased so that

every mine pays their fair share. This cost is directly tied with managing the program. Second, we ask that all increases in the bill be tied directly to the Consumer Price Index (CPI). For surface mining, the cap would go from \$1,000 to \$2,030 using the CPI. In Section 2-403 related to air permits (Pages 4-5), instead of an increase from \$50 to \$200, using the CPI, this increase should be \$101. The law in fact already states that the fees may be adjusted to reflect changes to the CPI.

At a time when we are still suffering from slowed growth in our economy, tremendous financial strain, and major cuts to transportation spending by the Administration, we cannot operate under these drastic increases. Our industry is struggling and the burden of these additional costs will have a significant adverse impact on our member companies. By increasing these fees at the rate MDE has set, our members will be forced to either increase our pricing to the State or abandon working in Maryland. We look forward to working collaboratively with MDE to come to a consensus that works for everyone.

We appreciate you taking the time to consider our request and for the reasons stated above, we respectfully request an **UNFAVORABLE** report House Bill 245.

Thank you,

A handwritten signature in blue ink, appearing to read 'MS', with a long horizontal flourish extending to the right.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association