

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 247 (Senator Frosh, et al.)
Economic and Environmental Affairs

Environment - Water Appropriation or Use Permits

This bill alters the State policy concerning water resource appropriation and use. Specifically, the bill establishes that it is State water resource policy to protect adjoining water users and to protect the State's natural resources. The Maryland Department of the Environment (MDE) is required to reject water appropriation or use applications if the appropriation will exceed the "sustained yield" of the aquifer.

In addition, the bill provides that if an applicant, other than for agricultural use, intends a groundwater appropriation in unprecedented quantities not common to a locality and the appropriation would cause water table or "potentiometric surface" harm to other users, MDE must require the applicant to: (1) perform an alternative source analysis; and (2) bear the cost of improving adversely impacted neighboring facilities.

Fiscal Summary

State Effect: None. Expenditures would not be affected, as discussed below. Revenues would not be affected.

Local Effect: Potential indeterminate revenue and expenditure increases.

Fiscal Analysis

State Expenditures: MDE reports that it would need to evaluate some 2,000 plans annually for the impact on adjoining water, necessitating an increase in expenditures. However, the Department of Fiscal Services (DFS) advises that MDE already has to review applications for potential impacts, and would only face increased workloads in cases where the appropriation of water is "unprecedented;" only a small percentage of the 2,000 plans should meet this category. Therefore it is assumed that MDE can meet the requirements of this bill with

existing budgeted resources.

Local Revenues: Local governments that incur additional expenditures due to the requirements of this bill could pass these costs along through fees and other charges, generating an indeterminate increase in revenues.

Local Expenditures: To the extent that local governments would need to apply for water appropriation or use permits, local expenditures could increase. The bill requires that in certain cases the applicant perform an alternative source analysis and bear the cost of improving adversely impacted neighboring facilities.

Information Source(s): Maryland Department of the Environment, Department of Fiscal Services, Wicomico and Anne Arundel counties, Frostburg

Fiscal Note History: First Reader - February 9, 1996
ncs

Analysis by: Kim Wells
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710