

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 653 (Senator Pinsky)  
Economic and Environmental Affairs

Referred to Environmental Matters

**Water Resources - Projects and Activities - Notification and Review**

This amended bill prohibits the Maryland Department of the Environment (MDE) from authorizing specified activities that affect streams or nontidal waters without departmental review. MDE may not issue a general permit to cover activities on a nontidal wetland or a buffer. Exemptions from obtaining a permit from MDE are provided for specified forestry activities relating to waterway crossings and agricultural best management practices.

**Fiscal Summary**

**State Effect:** Indeterminate increase in expenditures; revenues would not be affected.

**Local Effect:** Potential increase in expenditures; revenues would not be affected.

**Small Business Effect:** Potential meaningful impact on small businesses as discussed below.

**Fiscal Analysis**

**State Effect:** Emergency MDE regulations currently in effect removed prior exemptions for certain watershed activities; this is in preparation for setting up a general permit system, which is currently in draft form. The general permits will allow individuals to conduct a series of similar activities that have a minimal impact on wetlands, without a separate review for each activity. It is estimated by MDE that approximately 400 of the 700 to 1,000 applications they receive a year may be covered under general permits. However, under the bill 100 of the 400 would be covered under the forestry exemption from the waterway permit requirements.

MDE currently issues Regional Letters of Authorization (RLOA) to applicants proposing to conduct repeated activities such as right-of-way maintenance, routine structural maintenance and repair activities, and other activities which involve minimal or temporary impacts to

wetlands and buffers. RLOAs have been issued to 15 counties, Baltimore City, the City of Hagerstown, six utility companies, and the State Highway Administration. Under this bill, these entities may have to submit each project for individual review and prior approval.

The bill's impact depends upon how the restrictions are interpreted. MDE advises that it would have to review all activities, including those currently covered under RLOAs. In addition, those activities that were previously exempted as well as those that would presumably be covered under a new general permit system would also have to be reviewed. MDE advises that expenditures would increase by approximately \$56,600 in fiscal 1998 to hire one and a half additional employees; this estimate anticipates that applications would increase by at least 180 per year (in addition to the 300 received that may qualify as general permits).

Actual State expenditures would depend upon the actual number of increased applications, which is contingent upon the interpretation of the bill's restrictions. For instance, if current RLOA activity would continue to be allowed, then personnel needs would decrease. However, should RLOAs no longer be allowed, State Highway Administration expenditures would increase due to permit application processing. The amount of additional expenditures would depend upon the number of parcels affected and how many activities would need to be undertaken.

State revenues would not be affected as fees are not charged for permit applications.

**Local Expenditures:** To the extent that local jurisdictions would need to submit additional permit applications for each proposed activity, local expenditures on applications processing would increase.

**Small Business Effect:** Under this bill, small businesses would need to submit applications for each action taken in specified areas. Regulations based on existing statute allow applicants who are proposing to conduct repeated activities of a similar nature which have minimal wetland, waterway, or floodplain impacts to be issued a single authorization. The economic impact of submitting applications for each action would vary depending on the specifics of the application and the circumstances of the applicant. However, individuals undertaking certain forestry and agricultural activities would be exempted from permit requirements.

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**Information Source(s):** Maryland Department of the Environment, Chesapeake Bay Foundation, Department of Fiscal Services

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Analysis by: Kim E. Wells-McDonnell

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710