

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 901 (Delegate Owings)

Environmental Matters

Surface Mining - Temporary Water Appropriations - Permits

This bill exempts surface mining operations from having to obtain a water appropriation permit from the Maryland Department of the Environment (MDE) if the annual average water use is less than 10,000 gallons per day. Instead, MDE will issue a temporary water appropriation permit after the applicant obtains a bond to insure the operation from the time the permit is granted until a permanent permit is issued. Temporary permits shall not exceed one year in duration.

Fiscal Summary

State Effect: Minimal. Any increased administrative activities resulting from the bill's requirements could be handled with MDE's existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small business.

Fiscal Analysis

Small Business Effect: MDE advises that it issues, on average, four permits per year to surface mining operations that use less than 10,000 gallons of water per day. The bill requires that these mining operations must obtain a temporary water appropriation permit and post a bond to insure the operation between the time the temporary permit is issued and the time the permanent permit is issued. Bonds to insure these mining operations could range in cost from several thousand dollars to as much as \$100,000. The cost of purchasing a bond could severely impact a small surface mining operation in the short term, depending on the cost of the bond that is required to insure the operation. This could result in a loss of profits for the mining operation, at least for the year that the business has the temporary water

appropriation permit.

Information Source(s): Maryland Department of the Environment; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 1998

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