

**Department of Legislative Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 1103 (Delegate Walkup. *et al.*)

Environmental Matters

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**Redeposit of Dredge Spoil - Conditions for Redeposit on Farm or  
Agricultural Use Land**

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This bill provides that it is the intent of the General Assembly to: (1) foster agricultural activity and preserve the rural legacy in Maryland; (2) prevent any unintended negative environmental, economic, or public health consequences from the redeposit of dredge spoil on farm or agricultural use land; and (3) establish an intergovernmental review process for applications for permits to redeposit dredge spoil on farm or agricultural use land to ensure that all appropriate State and local governments and agencies are integrally informed and involved.

The bill prohibits a person from redepositing dredge spoil onto farm or agricultural use land until: (1) the Maryland Department of the Environment (MDE), in conjunction with the Departments of Agriculture and Natural Resources, conducts peer reviewed research regarding the biological risks associated with the redeposit of dredge spoil and concludes that dredge spoil does not pose an environmental risk; (2) the Maryland Department of Transportation (MDOT) determines that the redeposit of dredge spoil on farm or agricultural use land is a beneficial use and includes a benefits and cost analysis of this placement option in a revised Governor's Strategic Plan for Dredged Material; (3) MDE, in conjunction with the appropriate local soil conservation district, has conducted an environmental assessment of the proposed project; (4) the Department of Assessments and Taxation assesses the value of the farm or agricultural use land on which the redeposit of dredge spoil is proposed; and (5) the State Office of Planning has received confirmation from the county government that the proposal complies with all relevant county zoning and planning ordinances.

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## Fiscal Summary

**State Effect:** General fund expenditure increase of \$311,300 in FY 1999; future year expenditures reflect annualization and ongoing operating costs. No effect on revenues.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$311,300	\$386,000	\$392,400	\$398,900	\$405,700
Net Effect	(\$311,300)	(\$386,000)	(\$392,400)	(\$398,900)	(\$405,700)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** The bill's requirements could be handled with existing resources.

**Small Business Effect:** Potential meaningful.

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## Fiscal Analysis

**State Effect:** General fund expenditures could increase by an estimated \$311,315 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring two Toxicologists to conduct biological and public health risk assessments for each proposed project to place dredged material on farm or agricultural use land. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and \$210,000 in sediment sampling and testing. MDE estimates having to test an average of two samples per project at a cost of \$1,000 per sample based on the number of dredging projects reviewed and authorized by MDE's Tidal Wetlands Division in 1997. Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The Department of Assessments and Taxation (SDAT) advises that there are 51,000 real property accounts comprising 2.8 million acres currently receiving an agricultural use assessment. SDAT would continue to assess each property every three years to determine if the land is still actively being farmed. The requirements of the bill could be handled with SDAT's existing resources.

The Maryland Port Administration (MPA) advises that several hundred small dredging projects occur in Maryland each year. Much of this material, particularly material from the Eastern Shore, is placed on farm land. All projects for redeposit of dredge spoil are required to go through a National Environmental Policy Act (NEPA) review process at the federal level, including the Clean Water Act 404 process to prevent potential significant impacts to

wetlands and water quality. As a result, MPA advises that the requirements of the bill could be handled with its existing resources as the bill does not impact any of the options in the Governor's Strategic Plan for Dredged Material.

The Department of Agriculture also advises that the requirements of the bill could be handled with existing budgeted resources.

**Local Effect:** Local governments will be required to review all proposals to determine whether or not they meet local zoning and planning ordinances. Since local governments are already involved in reviewing other projects, it is assumed that the requirements of the bill could be handled with existing staff resources.

**Small Business Effect:** Small businesses involved in dredging projects and small business farms could be impacted by the bill. Any delays resulting from the review process requirements by the bill could result in revenue losses for businesses involved in dredging projects and farms that rely on dredge spoil for fertilizer.

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**Information Source(s):** Maryland Department of Agriculture, Maryland Department of the Environment, Department of Assessments and Taxation, Maryland Office of Planning, Maryland Department of Transportation (Maryland Port Administration), Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 1998

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