

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 95 (Delegate W. Baker)

Environmental Matters

Sewage Sludge - Chesapeake Bay Critical Area

This bill prohibits the Department of the Environment (MDE) from issuing a sewage sludge utilization permit for use on private or public land located in the Chesapeake Bay Critical Area without the review and approval of the county or municipal corporation in which the land is located. The local government must also approve any conditions or restrictions that are placed on the permit.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None. This bill would not directly affect MDE's operations or finances.

Local Effect: Potential increase in local government expenditures. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful impact on small businesses.

Fiscal Analysis

State Effect: This bill will not affect State finances in that permit application fees will still be paid into MDE's Sewage Sludge Utilization Fund. MDE issues roughly 250 sewage sludge utilization permits each year. Permits are issued for a term of five years, except for permits issued for the construction and operation of a composting facility which are for three years. Permit fees range from \$45-\$750, depending on the type of utilization permit. Also, MDE will still be involved in the permit review process, although they will no longer be able to issue sewage sludge utilization permits in the Chesapeake Bay Critical Area without first

obtaining local approval. It is estimated that of the approximately 72,000 acres permitted for sewage sludge utilization, only 5% falls in the critical area. Therefore, it is assumed that sewage sludge not utilized in the critical area will be used in other areas of the State that do not fall in the critical area. When sludge is applied depends on time of year, cropping schedules, weather and soil conditions as well as operational considerations. These factors require that sludge applicators permit more land than is needed.

Local Effect: The bill requires local government approval before MDE may issue a sewage sludge utilization permit. Under current law, MDE provides local governments with copies of the permit applications and the opportunity to consult with the department before a permit is issued. It is likely that any expenditures associated with approving a permit would be minimal as local governments are already involved in the process of approving permits to alter or expand sewage sludge composting facilities. It is also likely that this bill would increase the time it would take to issue such permits due to the implementation of the local review process. Expenditures could also increase if a local government is forced to find an alternative disposal method if a utilization permit is denied. However, this type of expenditure would likely be minimal due to the limited amount of permitted land in the critical area.

Small Business Effect: Small businesses, particularly farms, in the critical area could be impacted by this bill. If the review process takes more time or if permits are refused by the local government, farms that utilize sewage sludge as fertilizer may be forced to find alternative sources of fertilizer that may be more costly than sewage sludge. Currently, the State recycles about 86% of its sewage sludge. Of the 86% of sludge that is recycled, 59.1% is spread on agricultural land, 5.6% of it is spread on reclamation land such as sand and gravel sites and 21.3% is applied to land in the form of sludge derived products such as compost and pellets. Businesses involved in the application of sewage sludge could incur increased expenditures as a result of increased transportation costs if they are forced to transport sewage sludge to other areas of the State. However, costs associated with transporting sludge would most likely be minimal due to the limited amount of permitted land in the critical area.

Information Source(s): Maryland Department of the Environment; Charles, Montgomery, and Prince George's counties; Department of Legislative Services

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