

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 465 (Senator Baker)
Economic and Environmental Affairs

Redeposit of Dredge Spoil - Artificial Islands and Contained Areas

The bill prohibits the Maryland Department of the Environment (MDE) from approving the construction of an artificial island with a contained area for the redeposit of dredge spoil or the disposal of sewage sludge or other dredged material, including Baltimore County tributary spoil, in the Chesapeake Bay. The bill allows MDE to approve construction of a contained area on Pooles Island and any existing or former island in the Chesapeake Bay, including barrier islands and islands in the waters of Aberdeen Proving Ground, for the redeposit of spoil, including Baltimore County tributary spoil. Any such contained areas may not be used for the redeposit of spoil from Baltimore Harbor or sewage sludge.

Fiscal Summary

State Effect: Indeterminate increase in State expenditures. No effect on revenues.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small business.

Fiscal Analysis

State Effect: The bill could result in a delay in implementing the Upper Bay placement option of the Governor's Strategic Plan for Dredged Material Management because the bill restricts the number of sites that can be used for the development of long-term dredged material storage sites to existing or former islands in the Chesapeake Bay. Currently, the State is examining seven possible sites for this type of facility. However, of those being considered, only the Pooles Island site would be allowed by the bill. This could result in the Maryland Department of Transportation (MDOT) having to examine sites that are farther

away and therefore more costly.

If Pooles Island is ruled out as a site due to environmental and cost concerns, the next closest sites are in the waters of Aberdeen Proving Ground. However, there are inherent problems with these sites. These areas are owned by the federal government and must be given to the State. Also, there is unexploded ordnance on the bay floor that would have to be removed at considerable cost. At the present time, there is no remediation plan in place for removing the unexploded ordnance. After Aberdeen Proving Ground, the closest site allowed by the bill is James Island, which is an additional 35 miles from the channels in the Upper Bay that need to be dredged. Transportation costs for dredged material are estimated as follows: \$.10 per mile x the number of miles from the channels x the holding capacity of the facility. Therefore, in relation to sites currently under consideration, it is estimated that using James Island would result in an additional \$280 million in transportation costs over the projected 20-year operational life of the 80 million cubic yard (mcy) site. Costs would continue to increase the farther the site is located from the channels for a site of similar size.

In addition, based on current data, site evaluations have cost approximately \$250,000. Any new site considered based on the requirements of the bill could cost an additional \$250,000 for each new site considered.

Small Business Effect: If dredged material containment sites are not found within the next ten years, dredging in the bay could be limited as there will be fewer sites on which to redeposit the spoil. This could result in the loss of cargo ships that can enter Baltimore Harbor. To the extent that this happens, any small business relying on the port for economic activity will be impacted.

Information Source(s): Maryland Department of the Environment, Maryland Department of Transportation (Port Administration), Department of Legislative Services

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