

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE  
 Revised

House Bill 1305 (Delegate Hubbard. *et al.*)

Environmental Matters

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**Ballast Water Management - Reporting and Prohibition**

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This bill relates to the adoption of “ballast water” management guidelines and report control forms by the Maryland Department of the Environment (MDE).

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**Fiscal Summary**

**State Effect:** General fund expenditure increase of \$38,800 in FY 2001 to adopt guidelines and to implement and enforce the mandatory reporting requirement. Future year estimates are annualized, adjusted for inflation, and reflect ongoing operating expenses. The criminal penalty provisions of the bill are not expected to significantly affect State finances or operations.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	38,800	46,200	47,900	49,800	52,100
Net Effect	(\$38,800)	(\$46,200)	(\$47,900)	(\$49,800)	(\$52,100)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** “Ballast water” means any water and matter taken on board a vessel to control or maintain trim, draft, stability, or stresses of the vessel, without regard to the manner in which it is carried. “Vessel” means a self-propelled ship in commerce of 300 gross tons or more. The bill applies to all vessels carrying ballast water into the waters of the State from a voyage destined for a Maryland port, with specified exceptions.

The bill requires MDE by regulation to adopt the federal guidelines for vessels entering Maryland waters from outside the U.S. Exclusive Economic Zone (EEZ), and State guidelines that are consistent with the federal guidelines for other vessels entering Maryland waters. MDE must adopt ballast water control report forms, consistent with the form adopted by the U.S. Coast Guard, to monitor compliance with the federal and State guidelines. MDE must work cooperatively with the U.S. Coast Guard, the Maryland Port Administration, and the shipping industry to assure distribution of the forms to vessels. MDE must also direct return of the forms to MDE and to the National Ballast Water Information Clearinghouse of the Smithsonian Environmental Research Center.

An operator, or a shipping agent acting on behalf of the operator, of each vessel subject to the bill must complete and return a ballast water control report form. A vessel operator, either directly or through a shipping agent, who fails to do so is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500. A person who knowingly and with an intent to deceive fails to complete, return, or falsifies a form is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding one year or a fine not exceeding \$5,000 or both.

The bill also requests the Governor to: (1) coordinate with neighboring states and with the U.S. Coast Guard, the Smithsonian Environmental Research Center, and other appropriate federal agencies in order to provide necessary information on current ballast water management practices; and (2) meet with the Governors of the Commonwealths of Virginia and Pennsylvania and the state of Delaware, and with the federal agencies, in order to encourage those states and agencies to develop uniform ballast water management and reporting standards, to cooperate with the State in developing policies relating to improper ballast water management practices, and to adopt legislation implementing those standards and policies.

**Current Law:** Ballast water management is not covered under State law. Federal law and regulations include mandatory reporting and voluntary guidelines to prevent the introduction and spread of nonindigenous aquatic nuisance species in U.S. waters by ballast water and other vessel operations.

**Background:** Ballast water originates from areas rich in organisms such as ports and is released at sea, along coastlines, and in port systems. Accordingly, several types of organisms are transported and released through ballast water. Nonindigenous aquatic species

introduced into waters of the U.S. from ballast water have caused environmental and ecological damage, displaced native species, degraded water quality, and interfered with commerce.

The federal Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 required all vessels entering Great Lakes ports from beyond the EEZ to undergo ballast water exchange or treatment. In 1992, these requirements were extended to vessels arriving in ports of the upper Hudson River. The federal National Invasive Species Act (NISA) of 1996 provided for mandatory ballast management reporting and voluntary ballast exchange for all vessels that enter U.S. waters from outside the EEZ with specified exceptions. If compliance is low, NISA authorizes the use of mandatory guidelines for vessels arriving to selected regions of the country. As a result of NISA, the U.S. Coast Guard in conjunction with the Smithsonian Environmental Research Center established the National Ballast Water Information Clearinghouse in 1997.

According to the Maryland Port Administration, in 1999, approximately 1,845 vessels entered the Port of Baltimore. The majority of these vessels are required by federal law to report ballast management activities to the U.S. Coast Guard at some U.S. port.

**State Expenditures:** General fund expenditures could increase by an estimated \$38,800 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring one administrative officer to collect reports, file the information with the Smithsonian Environmental Research Center, and track vessel compliance. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses including contractual services to produce forms and instructions. The estimate assumes that the U.S. Coast Guard will distribute the forms to ships entering the Port of Baltimore and that shipping companies will mail the forms to MDE.

Salaries and Fringe Benefits	\$31,400
Contractual Services	1,100
Operating Expenses	<u>6,300</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$38,800</b>

It is assumed that any additional workload for assistant attorney generals could be absorbed within existing budgeted resources. Future year expenditures reflect: (1) full salary with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

**Small Business Effect:** According to the Maryland Port Administration, approximately one-third of the vessels entering the Port of Baltimore come directly from foreign ports and, therefore, are subject to federal reporting requirements upon entering the port. Accordingly, the bill is not anticipated to result in a measurable increase in costs for those vessels. Of the remaining two-thirds, virtually all of those vessels are subject to the federal reporting requirements at other U.S. ports. Assuming that reports filed with MDE would be different than the reports filed in other ports pursuant to federal law, the bill could impose additional costs on those vessels. Based on federal estimates of reporting requirements, costs are estimated at approximately \$35 per report. The guidelines adopted by MDE pursuant to the bill would be voluntary and are not anticipated to impose significant costs on vessels.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of the Environment, Maryland Department of Transportation (Port Administration), United States Coast Guard, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2000  
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