

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE**Revised**House Bill 1317 (Delegate Guns, *et al.*)

Environmental Matters

Economic and Environmental Affairs

Environment - Dredged Material Management

This bill prohibits a person from redepositing dredged material in an unconfined manner into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portion of any of the Chesapeake Bay's tributaries except when used for a beneficial use project undertaken in accordance with State and federal laws. Dredged material may be redeposited in contained areas approved by the Maryland Department of the Environment (MDE). Beginning October 1, 2001, a person may redeposit up to 7.4 million cubic yards of dredged material into or onto any portion of the water, bottomland, or the tidewater portions of the Chesapeake Bay collectively known as Pooles Island. Such redeposit may not occur after the sooner of December 31, 2010, or the initiation of the placement of dredge material in a specified site or sites. The bill establishes an eight-member executive committee to provide oversight in the development of the State of Maryland's plans for dredged material management. Two of the members must be invited by the Governor to serve on the committee. The committee must submit a report to the General Assembly by December 31, 2001 on the implementation of this bill. The committee must submit a report by December 31, 2002 on recommendations for a strategic long-term dredged material management plan for Maryland.

Fiscal Summary

State Effect: Based on the updated strategic plan that the Maryland Port Administration (MPA) is currently drafting, which does not include new open water sites as a placement option, the bill would not materially affect State operations or finances. However, to the extent that open water sites are reconsidered in the future, the bill would eliminate the possibility of open water placement and result in a significant increase in special fund expenditures and a potential decrease in federal fund revenues.

Local Effect: Minimal.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A person may not dump, deposit, or scatter in an unconfined manner spoil from Baltimore Harbor into or onto any portion of the bottomland of the Chesapeake Bay or of the tidewater portion of any of the Chesapeake Bay's tributaries outside of Baltimore Harbor. Spoil may be redeposited in contained areas approved by MDE. A person may not dump, deposit, or scatter in an unconfined manner Baltimore County tributary spoil into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portions of any of the Chesapeake Bay's tributaries within five miles of the Hart-Miller Pleasure Island chain in Baltimore County. A person may not dump, deposit, or scatter any earth, rock, soil, waste matter, muck, or other material excavated or dredged from the Chesapeake Bay or its tidal tributaries into or onto the area of the bottomlands or waters of the Chesapeake Bay known as the deep trough.

Background: Dredged material is collected as a result of the need to periodically dredge the bottom of the major approach channels to the Port of Baltimore, as well as the port itself, to ensure that these waterways are deep enough to allow ships to enter and exit without scraping the bottom. According to the MPA, about four to five million cubic yards of material has to be dredged from the Chesapeake Bay annually to maintain shipping channels to Baltimore. Over time, the amount of dredged material is expected to increase to accommodate the increasing size of new ships. Additional dredged material will result from several planned channel improvement projects.

According to the MPA, the total amount of dredged material that will need to be disposed of between fiscal 2001 and fiscal 2020 is approximately 109 million cubic yards. Current placement capacity at existing sites is estimated at approximately 66 million cubic yards. The MPA is currently updating its strategic plan for dredged material management. According to the MPA, over 20 options are being considered; however, the general outline of the new plan is as follows:

- overload existing sites over the next five years to accommodate planned dredging projects;
- address near term capacity needs by modifying Poplar Island to create new capacity, studying the possible development of small beneficial use projects at

- Parson's Island and/or Eastern Neck Island, and considering placement at a sand and gravel pit in Cecil County and/or placement at designated ocean sites;
- address long term capacity needs by evaluating large scale beneficial use placement sites; and
- evaluate one or more containment sites within Baltimore Harbor for placement of inner harbor materials.

State Fiscal Effect: According to the MPA, average placement costs (including open water placement) total approximately \$7 to \$8 per cubic yard. Although new open water sites are not currently being considered, the bill would eliminate the future use of open water sites should they be reconsidered in the future. The average placement costs for beneficial use sites total approximately \$12 to \$15 per cubic yard. The MPA advises that should open water sites be reconsidered, the bill would also most likely result in a loss of federal funds related to dredge material management.

Small Business Effect: If dredged material disposal sites are not identified and brought online within the next several 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.

Additional Information

Prior Introductions: HB 68, SB 26/HB 40, HB 662, and HB 25 of 2000 all related to the dumping of dredged material. The Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee held hearings on the bills. HB 68 passed the House and was referred to the Senate Economic and Environmental Affairs Committee, but no further action was taken. HB 25, HB 40, and HB 662 all received unfavorable reports by the House Environmental Matters Committee. In the 1999 session, SB 325/HB 756, SB 465, HB 624, HB 910, HB 912, and HB 954 also dealt with dumping of dredged material. The Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee held hearings on the bills. The House Environmental Matters Committee reported HB 756 favorably.

Cross File: SB 830 (Senator Frosh, *et al.*) – Economic and Environmental Affairs.

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

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