

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 638

(Delegate Costa, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Environment – Landfills – Bonds

This bill increases the amount of bonds and securities required to be filed with the Maryland Department of the Environment (MDE) or local jurisdictions by permit applicants for landfills. Specifically, the bill increases the minimum amount of the bond required from \$125,000 to \$250,000 and the per-acre amount from \$5,000 to \$10,000 for all landfills except sanitary landfills restricted to acceptance of land-clearing debris.

Fiscal Summary

State Effect: The bill would not significantly affect State operations or finances.

Local Effect: The bill's changes would provide local governments with additional securities to offset costs incurred to properly close a landfill in the event a permit holder defaults on that responsibility.

Small Business Effect: Minimal.

Analysis

Current Law: In general, before MDE issues a refuse-disposal permit for a landfill, incinerator, or transfer station to any private person, the applicant must file a bond with MDE or deposit a security with the governing body of the local jurisdiction where the facility will be located. Except for sanitary landfills restricted to acceptance of land-clearing debris, the bond or security for landfills must be \$5,000 per acre, with a \$125,000 minimum. A bond must be payable to the governing body of the political subdivision where the landfill, incinerator, or transfer station will be located. The term of

any bond or security is the duration of the operation of the facility and an additional five years after the closing of the facility.

When landfill operations end, the permit holder must close and cover all the land for which the permit was issued in a manner that prevents erosion, health and safety hazards, nuisances, and pollution. If MDE has assurances that the facility has closed in a manner that does so, MDE may release the security before the end of the five-year period. If a permit holder does not properly close and cover the land, the local government must use the bond proceeds, cash, or the proceeds of any other security to pay the cost of doing so.

Background: Currently, nine privately-owned landfills permitted by MDE would be affected by the bill's changes upon permit renewal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Montgomery County, Worcester County, Kent County, M.T. Parran Land Clearing Debris Landfill, Knott Land Clearing Debris Landfill, Department of Legislative Services

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