

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 549

(Senator Stone)

Education, Health, and Environmental Affairs

Environmental Matters

Wetlands - Licenses - Individual Residential and Community Piers

This bill provides that, for a tidal wetlands license approved by the Board of Public Works (BPW), if the license is for a community pier or individual residential pier and the activity is not intended for a commercial enterprise, BPW may require that compensation be made to the State before issuing a wetlands license. The level of compensation required by BPW, however, may not exceed \$50 per license. The bill applies regardless of whether the licensed activity will improve navigation.

Fiscal Summary

State Effect: Minimal decrease (\$950 for each affected license) in special fund revenues from license fees. The bill would not directly affect expenditures.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Wetlands and Waterways Program within the Maryland Department of the Environment (MDE) administers a statewide program for the management, conservation, and protection of Maryland's tidal wetlands and nontidal wetlands and waterways, including the 100-year floodplain. Permits granted for work in privately-owned wetlands are issued by MDE; licenses granted for work in State-owned wetlands are issued by BPW. BPW may require that compensation be made to the State as a condition to issuance of a tidal wetlands license. Any monetary compensation paid to the State in conjunction with a wetlands license is credited to the Tidal Wetlands

Compensation Fund. MDE must use the fund for acquisition and conservation of wetland areas by the State, including cost-sharing assistance to landowners in the management and control of phragmites.

Under current BPW regulations, a nonrecurring, nonrefundable license fee of \$1,000 applies for any individual license authorizing a riparian commercial structure or activity when this structure or riparian community structure or activity aids the expansion or operation and is intended to increase the revenue of the riparian commercial enterprise or is an improvement to navigation. A nonrecurring, nonrefundable license fee of \$500 applies for any individual license in extraordinary cases. A nonrecurring, nonrefundable license fee of \$250 applies for any individual license that is within the rights of a riparian landowner and has no substantial or long-term adverse effect on State wetlands. A nonrecurring, nonrefundable license fee of \$50 applies for any individual license authorizing residential spur dredging projects. Compensation is not required for certain dredging activities, and other fees may apply to certain fill activities and the installation of cables, pipelines, and other structures.

Background: Senate Bill 1005 of 2005, which passed the General Assembly, would have prohibited BPW from charging a fee of more than \$50 for an individual tidal wetlands license issued for riparian structures or activities where the structure or activity is not intended to increase revenues to a commercial enterprise, and for which a public hearing is not conducted. The bill was vetoed by the Governor on May 20, 2005 for policy reasons; specifically, the Governor noted that the bill may affect the ability of BPW to assess compensation for activities conducted on State property, and that the intended purposes of the bill could be more appropriately served by a change in BPW's regulations. BPW recently modified its regulations, effective January 16, 2006, to provide that a fee of \$50 applies for residential spur dredging projects.

State Revenues: According to MDE, approximately 80% of residential activities requiring wetlands licenses are authorized by MDE and are not charged a fee. In addition, recent regulations promulgated by BPW have reduced the compensation fee charged for wetlands license applications to \$50 for residential spur dredging projects. However, there are some situations in which licenses relating to community piers could be charged the \$1,000 fee under current regulations; under this bill, BPW would be limited to charging no more than \$50 for such licenses. Accordingly, for each affected license, special fund revenues to MDE's Tidal Wetlands Compensation Fund would decrease by \$950. Because future applications cannot be predicted, a reliable estimate of any decrease in special fund revenues cannot be made. However, based on data from 2005, any such decrease would likely be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Board of Public Works, Department of Natural Resources, Department of Legislative Services

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