

Department of Legislative Services

Maryland General Assembly

2007 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1403

(Delegate Olszewski, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Critical Area - Construction of a Facility - Prohibition

This emergency bill prohibits the construction or location of specified facilities in designated critical areas in Anne Arundel County, Baltimore City, and Baltimore County unless the facility is constructed or located in accordance with the State's federally approved Coastal Zone Management Program. In addition, the State may not issue a permit for a facility unless the Maryland Department of the Environment and the Department of Natural Resources find that the proposed facility is consistent with specified policies of the State's Critical Area Protection Program. The bill does not apply to a facility that existed and was in operation on January 1, 2007, including any expansion or modification of the facility.

Fiscal Summary

State Effect: The bill would not directly affect State finances.

Local Effect: The bill would not directly affect local government finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: "Facility" includes specified pipelines; intermediate production terminals or refineries; crude oil storage facilities; natural gas processing, transmission, or storage facilities; operations bases for oil and/or gas exploration, development, or production-related operations; and fabrication yards for petroleum drilling gear.

“Construction” includes activities such as clearing, grading, excavating, building, dredging, or any other action that would affect the natural environment of the critical area.

Current Law: Construction of certain oil- and natural gas-related facilities referenced in the bill (specified pipelines; intermediate production terminals or refineries; crude oil storage facilities; natural gas processing, transmission, or storage facilities; operations bases for oil and/or gas exploration, development, or production-related operation; and fabrication yards for petroleum drilling gear) is subject to the Coastal Facilities Review Act and must receive a permit issued by the Secretary of the Environment, after an extensive review process, prior to construction in coastal areas. The review generally encompasses evaluation of the facility for conformity with applicable State and local laws and regulations. As part of the review and permitting process, the Secretary must determine that the facility conforms with the State’s coastal zone management program developed pursuant to the federal Coastal Zone Management Act of 1972.

Chapter 794 of 1984 established the Chesapeake Bay Critical Area Protection Program (to which the Atlantic Coastal Bays were added in 2002) in order to minimize damage to water quality and wildlife habitat by fostering more sensitive development activity along the shoreline areas of the Chesapeake Bay and its tributaries. Each local jurisdiction is charged with the primary responsibility for development and implementation of its own local program; that local authority, however, is subject to the State Critical Area Commission’s review and approval. The Chesapeake and Atlantic Coastal Bays Critical Areas generally encompass land within 1,000 feet of the mean high water line of tidal waters or the landward edge of tidal wetland and all waters of and land under the Chesapeake and Atlantic Coastal Bays and their tributaries.

Background: In January 2007, AES Sparrows Point LNG, LLC (AES) filed an application with the Federal Energy Regulatory Commission for a proposed liquefied natural gas (LNG) import, storage, and regasification facility on 80 acres of land on the Sparrows Point Peninsula in Baltimore County. The facility would contain three large storage tanks and have the capability to transport the natural gas through a proposed 87-mile pipeline into Pennsylvania.

Additional Information

Prior Introductions: None.

Cross File: SB 996 (Senator Stone, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Baltimore City, Anne Arundel County, Baltimore County, Department of Natural Resources, Maryland Department of the Environment, Maryland Department of Transportation (State Highway Administration), Department of Legislative Services

Fiscal Note History: First Reader - March 22, 2007
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