

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 555 (Senator Pipkin, *et al.*)
Education, Health, and Environmental Affairs

Environment - Bonding Requirement - Local Authority

This bill authorizes a county or municipal corporation to require an applicant for a rubble landfill permit to file a surety bond or other security with the local governing body before the county completes its review and determination of the proposed refuse disposal system. The bill establishes requirements regarding such bonds and provides that these bonds would be in addition to other bonding and security requirements set forth in State law.

Fiscal Summary

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

Local Effect: To the extent the bill's authority is used by local governments, it could provide them additional protection. The Maryland Department of the Environment (MDE) advises that the proposed bonding requirement approximates the amount required to apply a closure cap to a rubble landfill, but does not include monitoring costs.

Small Business Effect: Meaningful. According to MDE, at least eight businesses owning either an operating or proposed rubble landfill in the State could be affected by the bill. Some or all of these may be considered small businesses. Affected businesses would incur significant costs to meet any additional bonding requirements established as a result of the bill.

Analysis

Bill Summary: The bond must be in the amount of \$150,000 per acre of land to which the permit applies. It must remain in effect for at least 50 years and must contain a provision that it cannot be canceled by the surety, bank, or other issuing entity at any time for any reason.

Current Law: The Secretary of the Environment may not issue a permit to install, materially alter, or materially extend a refuse disposal system until, among other things, the county has completed its review of the proposed system and provides MDE with a written statement that the refuse disposal system meets all applicable county zoning and land use requirements and is in conformity with the county solid waste plan. 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. For a rubble landfill, unless otherwise required by federal law or regulation, a bond filed must be in the amount of \$10,000 for each acre of land to which the permit applies; it may not be less than \$250,000. In general, the term of the bond must be for the duration of the operation of the landfill and an additional five years after the closing of the landfill.

Background: MDE reports that there are eight active permitted rubble landfills.

Additional Information

Prior Introductions: Similar legislation was introduced as HB 1289 of 2006, although it also applied to other permit types. The bill received an unfavorable report from the House Environmental Matters Committee.

Cross File: HB 294 (Delegate Sossi, *et al.*) – Environmental Matters.

Information Source(s): Maryland Department of the Environment, Allegany County, Wicomico County, Baltimore City, Maryland Municipal League, Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2007
mam/ljm Revised - Updated Information - February 14, 2007

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