

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 996 (Senator Stone, *et al.*)
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.

Fiscal Summary

State Effect: To the extent the bill's prohibition limits the development or expansion of State facilities in critical areas in Anne Arundel County, Baltimore City, and Baltimore County, State finances could be affected. State tax revenues could also be indirectly affected to the extent the bill's prohibition limits new development.

Local Effect: To the extent the bill's prohibition limits the development or expansion of local government facilities in critical areas, Anne Arundel County, Baltimore City, and Baltimore County finances could be affected. Local tax revenues could also be indirectly affected to the extent the bill's prohibition limits new development.

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.

The bill also specifies that “facility” includes a facility designed for nonmaritime heavy industry; transportation (except a facility necessary to serve permitted uses or where regional or interstate facilities must cross tidal waters); utility transmission (except a facility necessary to serve permitted uses, where regional or interstate facilities must cross tidal waters, or existing power plants); permanent sludge handling, storage, and disposal (except a facility associated with a permitted wastewater treatment plant); solid or hazardous waste collection or disposal; or a sanitary landfill.

“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.

Additional facilities referenced in the bill (those designed for nonmaritime heavy industry, transportation, utility transmission, permanent sludge handling, storage, and disposal) are not permitted in critical areas under State critical area regulations, except in intensely developed areas and only after it is demonstrated to all appropriate local and State permitting agencies that there will be a net improvement in water quality to the adjacent body of water. The solid or hazardous waste collection or disposal and sanitary landfill facilities referenced are not permitted in critical areas unless no environmentally acceptable alternative exists outside of critical areas and the facility is needed to correct an existing water quality or wastewater management problem.

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: HB 1403 (Delegate Olszewski, *et al.*) – Environmental Matters.

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
ncs/ljm

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