

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 39
Finance

(Senator Pipkin)

Environmental Matters

Maryland Port Administration - Strategic Plan and Membership

This bill requires the Maryland Economic Development Commission in the Department of Business and Economic Development (DBED) to incorporate the strategic plan that the Maryland Port Administration (MPA) developed for the Port of Baltimore into its own strategic plan. In addition, it adds the Secretary of Business and Economic Development as a nonvoting *ex officio* member to the Maryland Port Commission (MPC) and clarifies that four voting members constitutes a quorum.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None. DBED advises that it could incorporate the strategic plan of the Port of Baltimore into its plan with existing resources. In addition, any expenses associated with the Secretary serving as a member of MPC could be absorbed with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: MPA is currently a modal administration under the Maryland Department of Transportation (MDOT), but MPA oversight is generally provided by MPC, including

oversight over port operations, MPA-created private operating companies, MPA expenditures, and MPA administration.

The executive director of MPA reports directly to MPC and carries out MPC regulations and powers and duties invested by law in MPA. MPA may propose regulations to MPC for adoption.

The Maryland Economic Development Commission must develop and update a strategic plan for economic development in the State. The commission must seek ideas and advice from each region of the State to develop the plan.

Background: MPA's terminals at the port handle 83% of foreign general cargo (*e.g.*, automobiles, containers, forest products) and moved a total of 8.2 million tons of general cargo in fiscal 2006. General cargo accounted for 27% of the port's foreign cargo in 2005. Most of the port's bulk cargo (ore, coal, sugar, petroleum, etc.) is handled by private terminals. Due to a change in how MPA's net income is calculated, MPA's estimated fiscal 2007 net income is -\$6.0 million.

Over 100 public ports operate in the United States and U.S. territories. Public port agencies include port authorities; special purpose navigation districts; bi-state authorities; and departments of state, county, and municipal government. The Port of Baltimore ranked fourteenth in U.S. cargo volume in 2004.

MPA advises that it is currently working to update its strategic plan for the Port of Baltimore. The updated plan is projected to be completed in calendar 2007, but a final date has not been determined. MPA is currently examining what types of information it will include in the plan and advises it will likely include long-term cargo goals for the port as well as statistical data about the port's performance.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): American Association of Port Administrations, Maryland Department of Transportation, Department of Budget and Management, Department of Business and Economic Development, Department of Legislative Services

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