

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 927 (Senator Jacobs)
Education, Health, and Environmental Affairs

Environment - Sewage Sludge Utilization - Zoning and Land Use Requirements

This bill prohibits the Maryland Department of the Environment from issuing a sewage sludge utilization permit unless the sewage sludge utilization site meets all zoning and land use requirements or ordinances of the applicable county.

Fiscal Summary

State Effect: The bill is not expected to significantly affect State finances as discussed below.

Local Effect: To the extent the bill limits the land application of sewage sludge, local governments, as generators of sewage sludge, could incur additional costs for the disposal of sewage sludge. Any such impact cannot be reliably estimated at this time. Any additional local administrative burden associated with reviewing sewage sludge utilization permits is not expected to significantly affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: MDE is the primary State agency that regulates sewage sludge utilization. A sewage sludge utilization permit is required for any person who collects, incinerates, stores, treats, applies to land, transports, or disposes of sewage sludge or septage in Maryland. A separate permit is required for each sewage sludge utilization site.

A copy of an application for a sewage sludge utilization permit is mailed to the county and any municipality where the sewage sludge utilization site is to be located and any other county within one mile of the site. Any county or municipality that receives a copy of an application must be given the opportunity to consult with MDE about the decision to issue, deny, or place restrictions on a sewage sludge utilization permit.

MDE may not issue a permit to install, materially alter, or materially extend a sewage sludge composting facility or a sewage sludge storage facility until a facility meets all zoning and land use requirements of the county where the facility is to be located.

Sewage sludge is subject to both State and federal regulations. At the State level, agricultural use of Class B sewage sludge (which meets standards for metal concentrations and has been treated by a federally approved Procedure to Significantly Reduce Pathogens) is subject to both MDE permit requirements and the nutrient management regulations of the Maryland Department of Agriculture. MDE regulates the application of Class B sewage sludge through an individual permit required for those sites where sewage sludge is applied. Under State and federal regulations, Class A sewage sludge (which meets more stringent requirements for chemical content, pathogen reduction, and vector attraction) is allowed to be distributed to the public as fertilizer. MDE issues a permit to the distributor of Class A sewage sludge products but does not regulate sites where it is used.

Background: Sewage sludge is one of the final products of the treatment of sewage at wastewater treatment plants. Treatment breaks down the organic matter and kills disease-causing organisms leading to the creation of sewage sludge, which can be used as fertilizer. According to MDE, more than 700,000 wet tons of sewage sludge are generated in Maryland each year. In 2006, approximately 31% was applied to agricultural land; 41% was hauled out of State; 15% was distributed and marketed; and 13% was disposed of in landfills, applied to marginal land, or incinerated.

MDE indicates that there are approximately 670 active sewage sludge utilization permits in the State. Approximately 150 permits and renewals are issued each year and permits are effective for up to five years.

State Fiscal Effect: MDE indicates that the bill's requirement could affect the department's workload and permit fee revenues to the extent it would make the permit process for land application of sewage sludge more burdensome and cause companies or local governments generating or handling sewage sludge to instead transport the sewage sludge out of state or to a landfill or incineration facility. While the extent to which this would occur is unclear at this time, Legislative Services advises that any fiscal impact is not expected to be significant.

MDE indicates that approximately 150 new or renewal sewage sludge utilization permits are issued each year and that the permit fees for agricultural and marginal land application are \$175 and \$350, respectively. It is assumed, therefore, that any decrease in revenues resulting from fewer permit applications for the land application of sewage sludge would be relatively minimal. In addition, any decrease in fee revenues could be offset to an extent by additional fees for transportation or other permits to dispose of sewage sludge.

While MDE indicates that the bill's requirement could impact its workload, it is assumed that any increase in workload would not be significant and could be handled with existing resources. To the extent additional personnel are needed, they could be requested through the annual budget process.

Local Fiscal Effect: To the extent local governments that own wastewater treatment plants utilize land application of sewage sludge, a more burdensome permitting process could result in those local governments incurring additional costs to transport sewage sludge out of state or to dispose of it in a landfill or incineration facility. MDE indicates that of the 315 wastewater treatment plants in the State, 44 publicly-owned plants are approved for land application of sewage sludge. The Washington Suburban Sanitary Commission indicates that the bill could potentially have a fiscal impact on the commission, but any impact is not quantifiable at this time.

County planning and zoning departments could be affected by the additional administrative burden of reviewing applications for conformance with zoning and land use requirements and ordinances, although the extent of any effect would likely vary by county. In Charles County, for example, in which there are currently 29 agricultural and marginal land permits, verifying a site's conformance with zoning and land use requirements would likely not be a burden since the county currently conducts a permitting process for sewage sludge utilization sites in addition to the MDE permit process. While counties that are less involved in the permitting of sewage sludge utilization could be more significantly affected by the bill, any additional administrative burden is not expected to significantly affect local government finances.

Small Business Effect: MDE indicates that the number of small businesses that might be affected by the bill is unknown, but that any small business sewage sludge applicators, farms, or other commercial entities that use sewage sludge for fertilizer, or owners and operators of commercial wastewater treatment plants could be affected. Notably, farmers can benefit considerably from the use of sewage sludge as fertilizer as a money-saving alternative to chemical fertilizer, the price of which has been increasing in recent years. MDE indicates there are currently 306 agricultural land application permits in the State

encompassing 38,784 permitted acres. To the extent the bill limits the land application of sewage sludge, farmers or other small businesses could be negatively impacted.

Additional Information

Prior Introductions: None.

Cross File: HB 1529 (Delegate Rudolph) – Environmental Matters.

Information Source(s): Cecil County, Montgomery County, Prince George's County, Harford County, St. Mary's County, Maryland Department of the Environment, Carroll County, Department of Legislative Services

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