

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

**FISCAL AND POLICY NOTE**

Senate Bill 61

(Chair, Finance Committee)(By Request - Departmental -  
Transportation)

Finance

Environmental Matters

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**Maryland Port Administration - Jurisdiction, Powers, and Duties**

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This departmental bill expands the Maryland Port Administration's (MPA) authority to operate from sites in or near the State's navigable waters to statewide.

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**Fiscal Summary**

**State Effect:** To the extent MPA uses the expanded authority to increase its infrastructure and responsibilities, the bill may result in a significant increase in State special fund revenues and expenditures. However, if MPA does not utilize the broader authority, the bill is not anticipated to have a significant impact on State operations or finances.

**Local Effect:** No direct effect.

**Small Business Effect:** The Maryland Department of Transportation has determined that this bill has minimal or no impact on small business (attached). Legislative Services disagrees, in part, with this assessment as discussed below.

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**Analysis**

**Current Law:** MPA's territorial jurisdiction with respect to powers and duties is restricted to sites located in or near any of the navigable waters of the State.

**Background:** Through its efforts to increase waterborne commerce, MPA promotes the economic well being of the State of Maryland and manages the State-owned facilities at the Helen Delich Bentley Port of Baltimore. The port is a vast industrial complex that

encompasses 45 miles of shoreline and 3,403 waterfront acres. It includes 7 public terminals owned and operated by MPA, as well as 23 private terminals. Unlike many State entities, the port operates in a highly competitive market, with direct competition not only from the private industry but also from other ports up and down the east coast, as well as some Canadian ports. In 2007, the port handled 30.8 million tons of foreign cargo at its private and public terminals, ranking it thirteenth among all U.S. port districts. In that same year, the value of foreign cargo handled at the port was \$41.9 billion, ranking it twelfth among all U.S. port districts.

At this time, there is no contiguous waterfront land available to expand MPA cargo operations; near term growth in cargo is forecast at 1%; and all available cargo terminal space is currently leased, largely in long-term leases. MPA advises that expanding its operations to inland terminals would allow the State to better compete with neighboring ports and better serve existing markets. Specifically, MPA advises that it needs the additional authority in order to compete with Norfolk, Virginia; MPA advises that the Virginia Port Authority has redirected some cargo traditionally handled at the Port of Baltimore to Norfolk as a result of expanding to its inland port in Front Royal.

**Small Business Effect:** The bill has minimal or no impact if MPA does not utilize this new authority but a potential meaningful impact on small business (including construction and port-related services businesses) if MPA uses this new authority to expand its infrastructure and responsibilities.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore City, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - January 21, 2009  
ncs/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Port Administration – Jurisdiction, Powers, and Duties

BILL NUMBER: SB 61

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.