

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 135

(Cecil County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

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**Environment - Sewage Sludge Utilization - Zoning and Land Use Requirements**

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This bill authorizes the Maryland Department of the Environment (MDE) to consider all applicable zoning and land use requirements of the county where sewage sludge will be applied before the issuance of a permit to do so. A county or municipality must provide any applicable zoning and land use information to MDE within 45 days after receiving a copy of the permit application. MDE is also required to adopt regulations establishing a buffer area around a sewage sludge application site that is adjacent to the boundary of a municipality.

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**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, may incur additional costs for the disposal of sewage sludge. Any such impact cannot be reliably estimated at this time. Local expenditures may increase minimally to mail or otherwise communicate applicable zoning and land use requirements to MDE.

**Small Business Effect:** Potential meaningful.

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**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. Sewage sludge permits currently specify that they are subject to other State and local laws. 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 the 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. Sewage treatment breaks down organic matter and kills disease-causing organisms leading to the creation of the sludge. According to several federal research institutions, the U.S. Environmental Protection Agency has long promoted the beneficial use of sewage sludge. Despite this, some academic researchers note that there remain risks of applying treated sewage sludge to agricultural land as fertilizer.

Sewage sludge is being considered for use as a renewable fuel. The California Energy Commission has certified one company's proprietary sewage sludge fuel creation process for inclusion in the state renewable portfolio standard, and the company's waste-to-energy plant is currently under construction.

According to MDE, more than 700,000 wet tons of sewage sludge are generated in Maryland each year. There are approximately 654 active sewage sludge utilization permits effective in the State. Approximately 150 permits and renewals are issued each

year, and permits are effective for up to five years. MDE reports that in Maryland approximately 50% of sewage sludge is applied to agricultural land (an increase from 31% in 2006); 21% is used for land reclamation such as restoring surface mines; 18% is composted or pelletized and made into a commercial soil supplement; and 11% is disposed of in landfills or incinerated (a decrease from 13% in 2006). Since 2006 the share of sewage sludge being hauled out of state has been phased out from 41% to zero.

**State Fiscal Effect:** 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 is relatively minimal. Further, any decrease in fee revenues is likely to be offset by fees for additional transportation or other permits to dispose of sewage sludge as an alternative to land application; the fee for these permits is greater than for the land application permits.

While MDE indicates that the bill's regulatory development requirement may impact its workload, it can be handled with existing resources. To the extent additional personnel are needed, they can be requested through the annual budget process.

**Local Fiscal Effect:** Local governments that own wastewater treatment plants and generate sewage sludge may incur additional costs to transport sewage sludge to another application site in Maryland, to a site out of state, or to dispose of it in a landfill or incineration facility. For example, Frederick County indicates that the cost of its contract with the private hauling firm that disposes of its biosolids may increase to reflect the increased hauling distances and additional administrative burden.

**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 may be affected. Notably, farmers can benefit considerably from the use of sewage sludge as fertilizer as a money-saving alternative to chemical fertilizer. MDE indicates that, in 2008, there were 305 agricultural land application permits in the State. To the extent the bill slightly limits the land application of sewage sludge, farmers or other small businesses may be negatively impacted.

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### **Additional Information**

**Prior Introductions:** Two nearly identical bills, HB 1529 and SB 927, were introduced in 2008. HB 1529 was heard by the House Environmental Matters Committee but later

withdrawn, and SB 927 was heard by the Senate Education Health and Environmental Affairs Committee, which issued an unfavorable report.

**Cross File:** None.

**Information Source(s):** Charles, Frederick, Montgomery, and Somerset counties; cities of Annapolis and Bowie; Maryland Department of the Environment; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2009  
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