

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 1009 (Senators Mooney and Frosh)
Education, Health, and Environmental Affairs

Environment - Incinerator Permits - Limitation on Issuance near National Parks

This bill prohibits the Maryland Department of the Environment (MDE) from issuing a permit to construct, modify, operate, or use an incinerator within one mile of a park in the National Park System.

Fiscal Summary

State Effect: Special fund revenues at MDE decrease minimally due to reduced collection of incinerator related permit fees.

Local Effect: Expenditures increase substantially beginning in FY 2010 in an indeterminate number of counties and municipalities due to an increase in the cost of solid waste disposal. Revenues in these jurisdictions may decrease substantially at facilities that are required to cease operation under the bill's prohibition. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Analysis

Current Law: MDE regulates the operation of various types of incinerators. Incinerators for the disposal of solid waste must be permitted, and incinerators that receive medical wastes are subject to additional restrictions, including a maximum volume of waste to be disposed of.

Background: The National Park Service oversees the management of nearly 400 parks nationwide. Federal law designates 15 different units within the National Park System

including national parks, national monuments, national battlefields, national seashores, and parkways. There are 23 national park units in Maryland.

Local Fiscal Effect: Legislative Services advises that it is presently unknown how many incinerators will be affected by the bill. However, at least two facilities reliant on the use of an incinerator will be required to cease operation at some time within the next five years. These two facilities affect Baltimore and Montgomery counties and Baltimore City. For example, Montgomery County advises that, if its Montgomery County Resource Recovery Facility is required to shut down, costs will increase by between \$25 million and \$34 million from fiscal 2010 to 2014 depending on the date by which the facility must shut down. All costs associated with the county solid waste management system are passed on to customers through user fees. For Baltimore City, the closure of an incinerator-reliant facility, which is an integral part of the city's solid waste management system, may result in an increase for waste disposal costs of \$5.2 million annually. This does not account for the cost of facility closure and removal at about \$9.0 million split between Baltimore County and Baltimore City, or foregone revenues of about \$3.5 million in fiscal 2010.

In addition, the Northeast Maryland Waste Disposal Authority advises that there may be additional costs to an affected jurisdiction from debt service payments no longer covered by revenues generated from a closed facility; this debt service may need to be covered by the jurisdiction.

Small Business Effect: There is a meaningful adverse impact on small businesses operating incinerators regulated by MDE that are required to cease operations. In addition, all small businesses that pay user fees to a jurisdiction with a solid waste or other facility that can no longer operate under the bill may face additional costs associated with waste disposal or other services. The bill may have a meaningful beneficial impact on small businesses engaged in other forms of waste disposal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Kent, Montgomery, and Worcester counties; Baltimore City; Town of Leonardtown; City of Salisbury; Department of Natural Resources; Maryland Department of the Environment; Northeast Maryland Waste Disposal Authority; Department of Legislative Services

Fiscal Note History: First Reader - March 27, 2009
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