

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 635

(Senator Frosh, *et al.*)

Education, Health, and Environmental Affairs

Environmental Matters

Environment - Water Appropriation or Use Permit Fees - Workgroup

This bill requires the Secretary of the Environment to convene a specified workgroup to develop a structure of fees related to the issuance and renewal of water appropriation and use permits. The Maryland Department of the Environment (MDE) must report the fee structure developed by the workgroup to specified legislative committees by December 31, 2012.

The bill takes effect June 1, 2012, and terminates June 30, 2013.

Fiscal Summary

State Effect: Given the State's fiscal difficulties, agency budgets have been constrained. Thus, the requirement to convene the workgroup and develop the report may not be absorbable within the existing budgeted resources of MDE. Instead, general fund expenditures may increase minimally in FY 2012 and 2013 to support the workgroup and complete the required report.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup must develop a fee structure to fund the cost for MDE to regulate and monitor the activities for which water appropriation or use permits are issued and to support the needs of MDE to (1) conduct watershed and aquifer studies; (2) monitor and assess the cumulative impacts associated with regulated activities on the

State's groundwater and surface water; (3) develop and implement a statewide water supply plan; and (4) provide technical assistance to local governments.

The workgroup must consist of representatives of the Maryland Association of Counties, Maryland Municipal League, agriculture, public water systems, the golf course industry, the power generation industry, and the mining industry.

Current Law/Background: In order to conserve, protect, and use water resources in accordance with the best interests of the people of Maryland, it is the policy of the State to control, so far as is feasible, the appropriation or use of surface waters and groundwaters of the State. A permit must be obtained from MDE to appropriate or use, or to construct any structure that may appropriate or use, any waters of the State. An applicant must provide MDE with satisfactory proof that the proposed withdrawal of water will not jeopardize the State's natural resources. Before acting on any permit application, MDE must weigh all respective public advantages and disadvantages and make all appropriate investigations. Current regulations establish criteria MDE must follow in approving water appropriation or use permits and outline certain types of activities that are exempt from permit requirements. According to MDE data, in fiscal 2011, 643 water appropriation permits were issued. At the end of the fiscal 2011, 11,107 permits were in effect.

Currently, MDE does not charge a fee for the issuance or renewal of a water appropriation or use permit. However, MDE advises that Delaware, New Jersey, Pennsylvania, and Virginia, as well as the Susquehanna River Basin Commission and the Delaware River Basin Commission, require the payment of fees for similar permits within their jurisdictions. These fees range from \$25 flat fees in Pennsylvania for all users to application fees of \$57,050 for users of at least 100,000 gallons per day on average in areas under the jurisdiction of the Susquehanna River Basin Commission.

The Advisory Committee on the Management and Protection of the State's Water Resources was established by executive order in 2005 and charged with assessing the condition of the State's water resources management program, recommending steps to assure that the program provides for the long-term use and protection of Maryland's water resources, and recommending a strategy and appropriate funding for sustainable management of these resources. The final report, which was issued in July 2008, recommended, among other things, that Maryland enact legislation authorizing MDE to develop an equitable appropriation permit fee set to fully fund the existing permitting program as well as the new and enhanced activities recommended in the report. The report recommended that the fee be based on water withdrawal, consumptive use, or a combination of the two.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel, Baltimore, Howard, and Montgomery counties; Maryland Department of Agriculture; Department of Natural Resources; Maryland Department of the Environment; Maryland Association of Counties; Maryland Municipal League; Maryland Department of Transportation; Advisory Committee on the Management and Protection of the State's Water Resources; Department of Legislative Services

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Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510