

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**

Senate Bill 85

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

Finance

Environmental Matters

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**Maryland Port Commission - Management Personnel Appointments - Operating  
and Managing Port Facilities**

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This departmental bill expands the scope of work that may be undertaken by 12 management personnel employees, appointed by the Maryland Port Commission, to include operating and managing all State-owned port facilities for the commission.

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**Fiscal Summary**

**State Effect:** None. Altering the scope of work for 12 existing employees does not affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** The Maryland Department of Transportation (MDOT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** The commission was established by Chapter 541 of 1988 (HB 692) and charged with establishing policies that improve the competitive position of Maryland ports within the international port industry. Commissioners are also involved with conducting studies and surveys and considering implementation of their results, establishing foreign trade zones, acquiring facilities and overseeing improvements to them, and managing the dredging of shipping channels. The commission consists of

seven voting members, including the Secretary of Transportation and six individuals who are appointed to three-year terms by the Governor with Senate advice and consent.

The commission is authorized to serve as the board of directors of any private operating company created by the Maryland Port Administration (MPA). The commission may (1) appoint up to 12 management employees, considered State employees, to perform services for such companies and (2) determine the qualifications, appointment, compensation, and leave for the employees. The commission must submit to the Secretary of Budget and Management each change to the salaries of such employees that is other than a general salary increase, and the Secretary of Budget and Management must review the changes to determine if they adversely affect special fund expenditures. A report must be submitted to the Governor and the General Assembly by December 1 annually on the commission's actions regarding the appointed employees.

**Background:** The Maryland International Terminals (MIT) company is a private operating company established by MPA approximately 20 years ago to assist with stevedoring and terminal operations at State public marine terminals. In 1998, to help MIT remain competitive, the commission was authorized to appoint up to 12 management employees, considered State employees, to perform services for the company. Until recently, MIT's sole function was to provide stevedoring and landside terminal services at the Seagirt Marine Terminal, a State-owned public terminal facility. However, in January 2010, MPA executed a lease and concession agreement with Ports America Chesapeake, a national stevedoring company, for operation and management of Seagirt.

MDOT advises that the 12 senior management employees working under MIT are not primarily focused on Seagirt operations; rather, they are responsible for all facets of MPA's port industry work, including day-to-day marine terminal operations, international trade, and customer relations. MDOT further advises that the bill updates and clarifies current law to reflect the broad responsibilities of these management personnel. Examples of the positions impacted by the bill include MPA's Executive Director, Chief Financial Officer/Treasurer, Operations Director, Marketing Director, Maritime Commercial Management Director, and Engineering Director.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - January 10, 2013  
ncs/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Port Commission – Management Personnel Appointments –  
Operating and Managing Port Facilities

BILL NUMBER: SB 85

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

NOTE: The salaries commensurate with the 12 management personnel positions would be from exiting budgeted funds.