



House Bill 381

Agriculture – Nutrient Management – Phosphorus Management Tool

MACo Position: **OPPOSE**

Date: February 25, 2015

To: Environment and Transportation Committee

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** HB 381. The bill, reinstating a set of previously proposed regulations creating a phosphorous management tool (PMT), would impose significant and detrimental costs on agriculture, especially on the Eastern Shore; and increase the costs and challenges for local governments to properly dispose of sewage sludge.

HB 381 would codify proposed regulations that limit the amount of animal and poultry manure, sewage sludge, and phosphorus-containing fertilizer that could be applied to agricultural lands. The new PMT would be phased-in and by 2021 would completely replace the phosphorus application rules currently determined by the Phosphorus Site Index.

MACo believes that phosphorus runoff from farmland must be treated as part of the federally-mandated Chesapeake Bay Total Maximum Daily Load and local water quality requirements. All stakeholders must work to improve Maryland's struggling water quality and farmers need to do their fair share. However, MACo is concerned that the PMT's economic costs to farmers and local governments may outweigh its perceived environmental benefits.

Impact on Agriculture

In 2014, MACo supported legislation (HB 193/SB 27) that would have held the proposed PMT regulations pending the completion of an economic impact study. The legislation was rendered moot when the Maryland Department of Agriculture (MDA) agreed not to publish the regulations until a study was completed. MDA selected the Business, Economic and Community Network (BEACON) at Salisbury University to conduct the economic study.

BEACON concluded that with a six-year implementation schedule, the PMT would impose a net cost of \$22.5 million on Eastern Shore farms. However, some of the subsidies assumed by the study no longer exist so the net cost is likely higher.

Agriculture, mainly centered on the poultry industry, is one of the few economic engines on the Eastern Shore and the estimated costs of PMT will create hardships for individual farmers and could create a ripple effect imperiling the Shore's entire agricultural economy. Unlike more developed regions of the state, the Shore lacks alternative economic drivers that could help soften the blow of the PMT.

While the effects of the PMT would be most keenly felt on the Eastern Shore, the PMT requirements apply across the entire state. Agriculture remains a key industry and an important source of revenue for all rural counties and some urban counties. Other jurisdictions could also see their agricultural sectors undergo new economic struggles as a result of the proposed PMT.

Impact on Local Government Sewage Sludge Disposal

HB 381 could also force counties and municipalities that currently dispose of sewage sludge generated by wastewater treatment plants to seek costly alternative disposal methods. MDA has recently enacted regulations that already limit the times of year when sewage sludge can be applied and the PMT would further reduce land application opportunities by narrowing the amount of farms that can even accept sewage sludge. As the bill's fiscal note indicates, this could increase costs for local governments by the hundreds of thousands of dollars.

Conclusion

MACo supports addressing agricultural phosphorus runoff in a timely and informed manner. Agriculture should not be exempted from reducing the pollution it generates. However, MACo is concerned about the grave consequences the proposed PMT would have on Maryland's agricultural industry and the ability of local governments to properly dispose of sewage sludge.

Instead of the proposed PMT, MACo supports working with both the environmental and agricultural communities to devise a refined PMT that lessens the negative economic burdens while still reducing phosphorus contaminated agricultural runoff. Accordingly, MACo recommends the Committee issue an **UNFAVORABLE** report on HB 381.