



MARYLAND ASSOCIATION OF COUNTIES, INC.

BILL NO.: Senate Bill 635

TITLE: Environment – Water Appropriation or Use – Permit Fees - Workgroup

POSITION: **OPPOSE**

DATE: April 4, 2012

COMMITTEE: Environmental Matters

CONTACT: Leslie Knapp Jr.

The Maryland Association of Counties (MACo) **OPPOSES** Senate Bill 635. The bill clearly preordains a series of fee and penalty increases, by creating a workgroup to examine the specific increases to be proposed. With counties likely to bear much of the burden of the new fees and penalties, MACo opposes the implied policy that would commandeer local resources to pay settlements and fines and leave fewer resources to remedy the actual problems.

The bill would establish a workgroup consisting of representatives of MACo, MML, agriculture, public water systems, the golf course industry, the power generation industry, and the mining industry. The workgroup must establish a fee structure for water appropriation and use permits issued by the Maryland Department of the Environment (MDE). The fee must be sufficient to fund the cost of MDE to regulate and administer the permits and support MDE in conducting watershed and aquifer studies, monitoring groundwater and surface water impacts, developing a statewide water supply plan, and providing technical assistance to local governments.

As the bill's original fiscal note indicates, the new fees would result in increased local government expenditures. Like the State, local governments are struggling to contain costs and reduce spending. Local aid has been reduced by \$687 million since FY 2008 and counties are facing costly new mandates, including the multi-billion dollar Chesapeake Bay Total Maximum Daily Load mandate and a proposed shift in teacher pension costs. It is difficult for those counties struggling with such challenges to accept another spending mandate.

Additionally, when MACo agreed to accept a new water resources element requirement for local comprehensive plans (HB 1141 of 2006), we asked for an amendment stating that MDE would provide technical assistance in the form of ground water studies. While local governments subsequently made the staff and resource commitments to create their water resources elements, the State's promised technical assistance remained incomplete due to a lack of funding. MACo objects to the premise that a county must now pay in order to receive State technical assistance that was promised in exchange for the water resources element.

While MACo opposes the bill in its current form, we understand that MML has offered an amendment that would require the workgroup to study the fee issue but not require the workgroup to actually establish a new fee structure. If this amendment were added to the bill, MACo would be willing to drop its opposition.

SB 635 would result in the establishment of a new fee that county governments would have to pay at a time when county aid has been reduced and the State is passing on significant new fiscal mandates onto the counties. Accordingly, MACo recommends the Committee adopt the MML amendment or issue an **UNFAVORABLE** report on SB 635.