

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Shari T. Wilson, Secretary

BILL NO: Senate Bill 1117

COMMITTEE: Education, Health, and Environmental Affairs

POSITION: Support

TITLE: Environment – Maryland Oil Disaster
Containment, Clean-Up and Contingency Fund
and Oil Contaminated Site Environmental
Cleanup Fund

BILL ANALYSIS:

This bill would alter the basis for crediting the oil transfer license fee paid to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund, extend to July 1, 2013 the deadline by which the owner of an eligible heating oil tank may apply for reimbursement of costs from the Oil Contaminated Site Environmental Cleanup Fund, and authorize the Secretary of the Environment to transfer up to \$500,000 from the Oil Contaminated Site Environmental Cleanup Fund to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund in Fiscal Year 2011. It would also require the Department to convene a workgroup to review and assess the long-term funding needs of the oil pollution programs in the State and report the findings and recommendations of the workgroup to the legislature on or before December 31, 2012.

POSITION AND RATIONALE:

The bill maintains the total oil transfer fee at the same level it has been for the past five years. It would only modify the way the funds are allocated between the two funds. The current total fee of 5.75 cents per barrel, or \$0.00137 per gallon, imposed on the first point of transfer into the State. The fee would continue for three years, then MDE would convene a workgroup to reevaluate the funding needs to support oil pollution prevention programs.

This bill will continue the fee for services provided by MDE related to compliance of and remedial activities at oil contaminated properties, and reimbursement and assistance to citizens and the public related to oil pollution cleanup activities would continue.

Without this bill, the oil transfer fee would decrease to 3 cents per barrel, reducing revenues to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund by approximately \$2.9 million annually. The Department's oil pollution control programs would be unable to be sustained and services to the regulated community and our citizens would be impacted. Citizens would still be required by law to cleanup an oil spill but would not be reimbursed by the Department to help offset the costs of the cleanups. In addition, emergency response to oil spill incidents on a 24-hour basis would not be able to be maintained by the Department.

FOR MORE INFORMATION,
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