

STATE OF MARYLAND

**MARYLAND DEPARTMENT OF THE ENVIRONMENT**

**Shari T. Wilson, Secretary**

**BILL NO:** HOUSE BILL 1556

**COMMITTEE:** Economic Matters and Environmental Matters

**POSITION:** Support with amendments

-----  
**TITLE:** Environment - Coal Combustion By-Products - Fees

**BILL ANALYSIS:**

The bill provides funding to implement new regulations that control the disposal and re-use of coal combustion by-products .

The Bill authorizes the Department to implement a fee through regulation for each ton of coal combustion by-product (“CCBs” or coal ash). The fee may not be imposed on CCBs that are beneficially reused. The Bill also requires that MDE set a fee at only the exact level need to fund implementation of regulatory requirements concerning CCBs. The Bill establishes a State Coal Combustion Byproducts Management Fund as a special, continuing, non-lapsing fund.

The bill also requires MDE to report annually to the General Assembly on the status of the fund, including revenues and expenditures, the efficiency of the regulatory program, compliance rates within the regulatory program, and whether the fee needs to be adjusted.

**POSITION AND RATIONALE:** Support with amendments

MDE strongly supports this bill. The fee is necessary to ensure public health and groundwater are protected during disposal, mine reclamation and beneficial reuse of CCBs. MDE’s new regulatory program to manage CCBs is designed to prevent situations resulting in contamination of groundwater and residential drinking water wells, such as occurred in Anne Arundel County.

The estimated cost of implementing the CCB regulations is projected to average \$750,000 annually for the next 5 years. The fee would be set at the level necessary to pay for those costs. The revenue generated by the fee is needed to implement the CCB regulatory requirements.

MDE 's proposed amendments:

- Add “the total annual tonnage of CCBs generated by the generator” and “whether the CCBs are transported for use or disposal out of state” to the list of factors the Department shall consider in developing the fee;
- Add coal mine reclamation to the list of activities exempt from the fee;
- Require that the fee on CCBs shipped out-of-state for disposal shall be no more than 50 percent of the fee placed on CCBs disposed of in-state;
- Ensure that the fee shall be set at the rate necessary to implement the regulatory program only; and
- Clarify that if the revenue generated from the fee exceeds the amount necessary to operate the regulatory program to manage CCBs, that the Department shall reduce the fee in the following fiscal year.

**FOR MORE INFORMATION,**  
**CONTACT LISA NISSLEY**  
**410-260-6301 ANNAPOLIS**  
**410-537-3056 BALTIMORE**

BY: The Maryland Department of the Environment

AMENDMENTS TO HOUSE BILL 1556  
(First Reading File Bill)

AMENDMENT NO. 1

On page 3, in line 8 strike “**IN ACCORDANCE WITH THIS PART**”.

AMENDMENT NO. 2

On page 3, in line 10 after “(A)” insert “**EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,**”.

On page 3, in line 10 strike “**MAY**” and insert “**SHALL**”.

On page 3, in line 10 strike “**IMPOSE,**”.

On page 3, in line 14 strike beginning with “**BY**” through “**TO**” in line 20 and insert “**THE FEES ESTABLISHED BY THE DEPARTMENT SHALL BE BASED ON**”.

On page 3, in line 21 insert “**(1) THE TOTAL ANNUAL TONNAGE OF COAL COMBUSTION BY-PRODUCTS GENERATED BY THE GENERATOR;**”

On page 3, in line 21 strike “**1**” and insert “**2**”.

On page 3, in line 23 strike “**2**” and insert “**3**”.

On page 3, in line 23 after “**OF**” strike “**, OR INTENDS TO USE OF DISPOSE OF,**”.

On page 3, in line 25 strike beginning with “**(3)**” through “**AND**” in line 27 and insert “**(4) TO THE EXTENT THAT THE COAL COMBUSTION BY-PRODUCTS ARE USED RATHER THAN DISPOSED OF, THE TYPES OF SUCH USE;**

**(5) WHETHER THE COAL COMBUSTION BY-PRODUCTS ARE TRANSPORTED FOR USE OR DISPOSAL OUT-OF-STATE; AND**”.

On page 3, in line 28 strike “4” and insert “6”.

On page 3, in line 28 strike “ANY”, “AS”, and “MAY DETERMINE”.

On page 3, in line 28 after “DEPARTMENT” insert “DEEMS APPROPRIATE”.

On page 3, in line 29 strike “(D)” and insert “(C)”.

On page 3, in line 31 strike “IN ACCORDANCE WITH REGULATIONS ADOPTED” in line 32 and insert “AS DETERMINED”.

On page 4, in line 1 strike beginning with “DISPOSED OF OUTSIDE THE STATE” and insert “USED FOR COAL MINE RECLAMATION IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DEPARTMENT”.

On page 4, in line 2 strike beginning with “(E)” through “DEPARTMENT.” in line 3 and insert “(D) FEES IMPOSED ON COAL COMBUSTION BY-PRODUCTS THAT ARE TRANSPORTED FOR USE OF DISPOSAL OUT-OF-STATE SHALL BE NO MORE THAN 50 PERCENT OF THE FEES ESTABLISHED FOR DISPOSAL IN-STATE.”

On page 4, in line 4 strike “(F)” and insert “(E)”.

On page 4, in line 7 insert “(F) THE FEES IMPOSED SHALL BE SET AT THE RATE NECESSARY TO IMPLEMENT THE PURPOSES SET FORTH IN § 9-284.”

On page 4, in line 7 after “(G)” insert “IN ANY GIVEN YEAR.”.

On page 4, in line 7 after “DEPARTMENT” insert “GENERATES REVENUE THAT”.

On page 4, in line 10 strike “FEE SCHEDULE ACCORDINGLY” and insert “FEES IN THE FOLLOWING FISCAL YEAR”.

AMENDMENT NO. 3

On page 4, in line 12 strike beginning with “**THE DEPARTMENT**” through “**BY-PRODUCTS;**” in line 16 and insert “**(A) THE DEPARTMENT SHALL USE MONEYS IN THE FUND SOLELY TO ADMINISTER AND IMPLEMENT PROGRAMS TO CONTROL THE DISPOSAL, USE , BENEFICIAL USE, RECYCLING, PROCESSING, HANDLING, STORAGE, TRANSPORT OR OTHER REQUIREMENTS RELATED TO THE MANAGEMENT OF COAL COMBUSTION BY-PRODUCTS, INCLUDING ALL COSTS INCURRED BY THE STATE TO:**”.

On page 4, in line 17 strike beginning with “**(2)**” through “**EVALUATING**” in line 18 and insert “**(1) REVIEW, INSPECT AND EVALUATE**”.

On page 4, in line 20 strike “**RELATED TO COAL COMBUSTION BY-PRODUCTS**”.

On page 4, in line 21 strike “**(3) FOR**” and insert “**(2) PERFORM AND OVERSEE**”.

On page 4, in line 21 after “**INVESTIGATIONS;**” strike “**AND**”.

On page 4, in line 22 strike beginning with “**RELATED**” through “**BY-PRODUCTS**” in line 24.

On page 4, in line 25 strike “**(4) TO DEVELOP, PROPOSE, OR**” and insert “**(3) DEVELOP, PROMULGATE AND**”.

On page 4, in line 27 strike beginning with “**DISPOSAL**” through “**OR**” in line 28.

#### AMENDMENT NO. 4

On page 5, in line 5 strike “**OF**” and insert “**TO**”.

On page 5, in line 11 strike “**REVIEW AND**”.

On page 5, in line 14 after “**REGULATIONS**” insert “**TO CARRY OUT THE PROVISIONS OF THIS PART**”.

On page 5, in line 15 strike beginning with “**(1)**” through “**PART**” in line 20.