

CHAPTER V

SOCIO-ECONOMIC IMPACT

The construction and operation of an electric generating station may have significant economic and social impact upon the community where it is located. Among the many possible effects usually considered are changes in:

- population, housing and school enrollment
- transportation and congestion
- income, employment, and business activity
- local government spending and tax revenues.

For convenience, these effects are usually divided into changes affecting the social and economic functions of the private sector and changes affecting tax revenues or the demand for services in the public sector.

The socio-economic effects of power plant construction stem from the rapid increase in population resulting from a sudden increase in the local work force during plant construction. Both workers who relocate within the area and commuters can potentially exceed the capacity of the public and private services, facilities, markets, and institutions -- the local social and economic infrastructure -- which serve a given community, county, or region. The scale of socio-economic effects from construction depends on the nature of the region where construction occurs, as well as on the relative proportions of commuters, residents and relocating workers employed on the project.

There is a paucity of actual monitoring data or before and after comparison studies for the socio-economic effects of power plant development. In Maryland, the Power Plant Siting Program has studied the effects of construction of the Calvert Cliffs nuclear power station (1).^{*} More recently, the program has developed a model for estimating the socio-economic effects of power plant development (2), and has used the model to estimate these effects for four Eastern Shore counties (3).

A. Employment

The driving force for socio-economic effects is the large labor force necessary for the construction of a modern power plant. It has been estimated that at the peak of construction activity, some 3,200 workers would be involved in the construction of a two-unit, 2,400-MW nuclear power plant, and 800 for a two-unit, 1,200-MW coal-fired plant (3). While construction

* The Calvert Cliffs study is strictly an ex post study. It does not provide baseline data, and does not attempt to separate out the effects caused by other simultaneous local or national developments.

goes on, these workers purchase goods and services from the local retail economy, increasing local business retail activity. This, in turn, leads to increased wholesale business activity. The result is an increase in local income and employment, which leads to further increases in local business activity, employment and income. It is the sum of these employment gains -- direct construction labor plus the additional employment induced by the increase in local business activity -- which is the principle driving force for the local effects brought on by power plant construction.

Figure V-1 shows the number of workers involved in the construction of a 2,400 MW nuclear or 1,200 MW coal-fired power plant over the life of the construction project, assuming a nine year construction schedule*. The employment profiles include both workers directly involved in construction and workers employed by firms which supply materials and services to the construction project.

The profiles in Figure V-1 show two important characteristics. First, employment is not uniform over the construction period. As a result, the effects tend to be at their greatest during the middle years of construction, and generally diminish by the time the power plant enters service. Second, for these examples peak construction employment for a fossil-fueled plant is much lower than for a nuclear plant -- only 25% for the plant sizes shown here. In addition, employment for a fossil fuel plant is relatively uniform for a period of several years, and does not show the sharp employment peak characteristic of the nuclear case. As a result, the socio-economic effects which result from fossil fuel construction tend to be much less than those from nuclear plant construction, and are more uniform over time.

The scale of the effects that these employment changes have on local social and economic conditions depends primarily on the ability of the local region or county to provide workers from its own population, and on the ability to absorb the new workers who decide to move in during the construction period. Both the ability to provide workers and to absorb a rapidly increased population are a function of the existing population base and the size and integration of the local economy. A large, urbanized county would experience little negative socio-economic impact from a large construction project because the labor force available from its large population reduces significantly the number of workers who must be hired from outside of the county, and its large population and substantial wholesale and retail business sector are able to absorb the new workers who do move into the county and meet the demand for goods and services which they create. By contrast, the small work force, population, and economy typical of many of Maryland's smaller rural counties are less able to absorb the changes that accompany a large construction project.

* This construction schedule was selected even though it is likely to represent a more rapid construction timetable than a utility of the size assumed in the Eastern Shore study (3) is likely to consider. The purpose of the rapid construction assumption was to provide estimates which would be unlikely to under-state the amount of stress which the affected communities would experience.

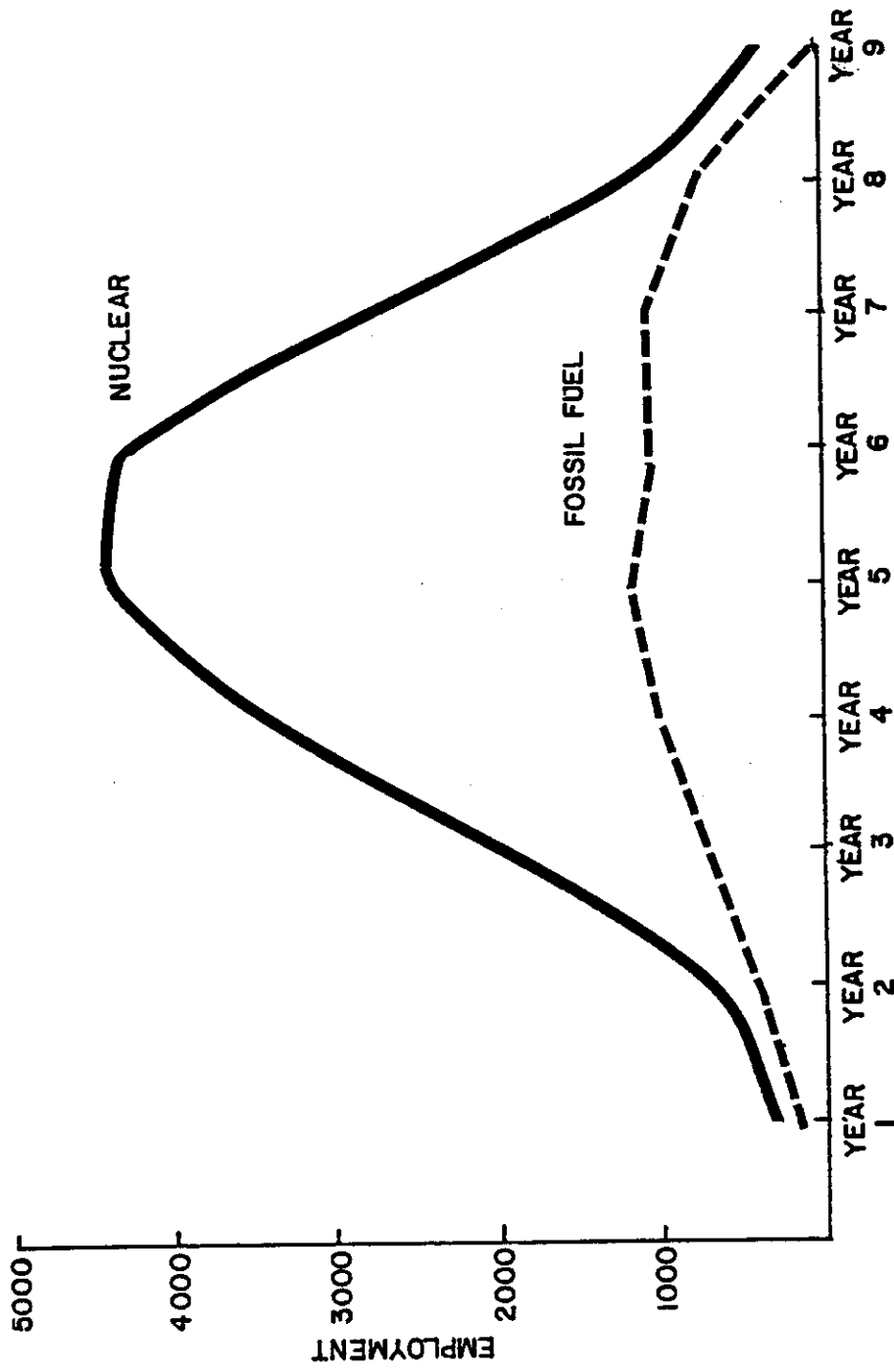


Figure V-1. Total employment profiles for electric power plant construction

Most of the rural counties of the State are located within a relatively short distance (measured in driving time) from the more populous counties and larger metropolitan areas. As a result, even in these rural counties, many of the more severe socio-economic effects which may result from large construction projects are mitigated by their relative proximity to larger labor force concentrations and urban centers. The disruption found in some Western coal and energy development areas where virtually the entire work force was forced to migrate to the construction site is not likely to occur in Maryland. While such large-scale changes are not likely to occur, some migration effects are possible for some of the rural counties.

In a rural or semi-rural area, much of the skilled labor force required for power plant construction comes from outside the local economy, although some local workers have appropriate skills and are able to obtain construction jobs on the plant. Most of the local workers who obtain construction jobs are semi-skilled and unskilled workers (3). Since construction jobs for all classes of workers traditionally have high wage levels, these jobs provide an opportunity for local workers to significantly increase their income. In Calvert County, farm laborers were able to triple their earnings by working on the construction of the Calvert Cliffs plant, where the lowest construction wage was \$6.50 per hour (1). As a consequence of these higher wages, some local firms and farms found it difficult to find workers or found workers available only at higher wages than were traditionally paid. In the extreme, some firms dependent on low-wage labor were reportedly forced out of business (1).

The total effect of power plant construction on the local labor market results from both the demand for workers at the plant site, and the increase in the number of new jobs created by the increased demand for goods and services. Table V-1 shows the predicted size of this impact for the case of the construction of a nuclear plant in four Eastern Shore counties (3). Line 5 shows the estimated increase in the number of additional local workers hired from the current population in the peak year, which is shown as the percentage of current resident employment in Line 6. Line 7 shows the total number of additional workers residing in the county (current residents plus workers who move to the county as a result of the new job opportunities), shown as a percentage of current resident employment in Line 8.

The effects caused by construction period employment changes are more complex than the numbers shown in Table V-1 would appear to indicate. As can be seen from the data in the table, there is a great deal of variation in the employment effects that can be expected from the construction of a power plant in different counties within the same relatively small region. The size of the total change in county employment is influenced by the amount of induced employment which occurs within the county itself. The closer the plant site is to a major metropolitan area, the larger will be the number of these induced jobs which will occur in other counties, as can be seen in the differences in in-migration between Kent and Dorchester Counties. The reduction in the local share of these induced jobs is largely due to the reduction in the proportion of workers who find it desirable to eliminate commuting time by moving into the project county, and to the convenience with which both contractors and workers can purchase goods and services outside the project area.

Table V-1. Employment effects -- Four Eastern Shore Counties

	Kent County	Queen Annes: County	Dorchester County	Wicomico County
Baseline County Employment, Total	6,845	7,085	13,960	23,395
Increase in County Employment, Total, Peak Year	4,905	4,770	4,895	5,616
Increase in County Employment, Total, Peak Year, %	71.7%	67.3%	35.1%	24.0%
Baseline County Employment, Current Residents	6,368	7,378	12,160	22,647
Increase in County Employment, Current Residents, Peak Year	1,115	999	1,105	1,882
Increase in County Employment, Current Residents, %	17.5%	13.5%	9.1%	8.3%
Increase in County Employment, Current Residents and In-migrants, Peak Year	1,937	1,671	2,188	3,092
Increase in County Employment, Current Residents and In-migrants, Peak Year	30.4%	22.6%	18.0%	24.0%

Similarly, the data in Table V-1 reflect the fact that the further the project is from a metropolitan area, the larger the number of workers who elect to move into the project area, and the larger the proportion of local workers likely to be hired for the project. While the number of workers moving into the area is the major source of population effects, it is the number of local workers hired for the project that results in local employment effects. In the three counties closest to metropolitan areas, the number of local workers hired as a direct or indirect result of construction is lowest. However, the base work force in two of these counties (Kent and Queen Annes) is small enough that this change represents a significant shift in the local labor market, and is likely to have significant effects. By contrast, the largest numerical change in the local labor force in Table V-1 occurs in the largest of the four counties, Wicomico, where the relatively large and growing labor force is likely to be able to provide the additional workers over the five year period leading up to the peak with little noticeable change in local labor market conditions.

B. Population

Table V-2 shows the predicted increase in county and nearby municipal populations at the peak construction year for each of the four Eastern Shore counties (3). The largest population increases occur in the counties which are furthest from the population centers of Baltimore, Washington, and Wilmington.

The effect of this population change is determined less by the absolute size of the increase than by the size of that increase relative to the existing local population. Localities with larger population bases tend to possess more developed infrastructures. An influx of new residents into these larger communities is less likely to affect existing social patterns because the size of the population change is relatively small and therefore more readily absorbable, and because the more developed infrastructure is less likely to be subject to increased crowding and inconvenience that can lead to increased social stress.

The effect of the population changes predicted in the Eastern Shore study (see Table V-2) was estimated to be greater in Kent and Queen Annes Counties, whose major communities (Chestertown and Centreville, respectively) are relatively small. By contrast, the larger population base of Wicomico County would experience only slight effects over the same five-year period.

The estimates of the effects of the population changes shown in Table V-2 demonstrate the complex relationship between in-migration, base population, distance from metropolitan areas, and socioeconomic effects. The counties closest to major metropolitan areas (Kent and Queen Annes Counties) were estimated to receive the smallest amount of in-migration, due to the relative ease of commuting. But as a result of the small population base of those counties and their major communities, the effects of the projected population changes is likely to be largest. By contrast, the counties with the largest amount of in-migration (with as much as 80 percent more in-migration) were also the counties with the largest population base, and were projected to experience the smallest adverse effects from the construction-period population changes.

Table V-2. Population effects -- Four Eastern Shore Counties

	Kent County	Queen Annes County	Dorchester County	Wicomico County
Increase in County Population	2,034	1,743	2,740	3,132
Increase in County Population, %	13%	10%	9%	5%
	<u>Chestertown</u>	<u>Centreville</u>	<u>Cambridge</u>	<u>Salisbury</u>
Increase in Municipal Population	637	279	1,477	780
Increase in Municipal Population, %	18%	15%	13%	5%

Source: Reference (3)

C. Housing

One potential impact of the population increase that is likely to accompany power plant development in rural counties is the effect on the housing market. The influx of new residents into these counties results in a rapid increase in the demand for both conventional and temporary housing. In many of the more rural counties in the state, the housing industry has experienced a protracted period of slow growth. Without adequate planning, the housing industry may find itself unprepared to respond to such a rapid increase in the demand for new units. As a result, most of the housing units purchased or rented in these counties are likely to be existing units or temporary units.

Given the relatively high wage scale, power plant workers moving into a county are typically willing and able to pay higher prices than other residents for all available homes and rental units. In the case of Calvert Cliffs, rental prices increased to two and three times their former levels (1).^{*} Farmers and landlords experienced windfall income during a period in which a tight market permitted the rental of even marginal properties. The higher rents also resulted in the displacement of former low and moderate income families unable to increase their housing expenditures. Instances were reported of public employees, especially teachers, having been forced to seek housing outside the County (1).

The predicted effects on housing markets of construction of a power plant on the Eastern Shore (3) varied considerably according to the size and nature of the county in which a plant might be located (Table V-3). However, given the present low population growth rates of the region, the housing markets in all four counties are likely to be strained during peak years of construction for a plant of the size considered. Significant shortages of both permanent and temporary housing units are likely during the two peak years of the nuclear plant construction activity; in one county (which is already experiencing a tight housing market) the shortage was estimated to last for a four year interval.

A shortage of temporary housing units during the construction period may be fairly easily mitigated through adequate planning, once the scale of the housing deficit is known. Mitigating the shortage of permanent units is more difficult and will require greater planning on the part of the appropriate unit of local government, the utility, and contractor.

It has been suggested that the increased demand for housing and higher housing prices of the construction period provide an opportunity, with adequate planning, to upgrade the existing housing stock, particularly substantial units (4). Some counties may require both technical and financial assistance in order to properly plan and carry out an effective mitigation or upgrading program.

^{*} As noted earlier, the Calvert Cliffs study does not permit separation of Calvert Cliffs impacts from the effects of other simultaneous developments.

Table V-3. Housing effects -- Four Eastern Shore Counties

Year	Kent County		Queen Annes County		Dorchester County		Wicomico County	
	Conventional	Mobile Home	Conventional	Mobile Home	Conventional	Mobile Home	Conventional	Mobile Home
1	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit
2	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit
3	no deficit	no deficit	no deficit	no deficit	- 16	- 2	no deficit	no deficit
4	- 72	- 70	no deficit	- 63	-168	- 69	no deficit	-111
5	-166	-144	- 79	-143	-276	-198	- 67	-349
6	-177	-130	- 88	-131	-299	-215	-149	-301
7	- 62	- 55	no deficit	- 66	-153	- 93	- 16	-124
8	no deficit	no deficit	no deficit	no deficit	no deficit	- 4	no deficit	no deficit
9	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit	no deficit

D. Transportation

The increase number of resident and commuting workers during the construction frequently produce significant traffic congestion difficulties (1). The impact on traffic congestion is a function of the increase in the number of commuters and the available carrying capacity of the relevant transportation routes, dictated by local conditions. In the case of Calvert Cliffs, a traffic increase of an estimated 1,200 vehicles was experienced during the morning shift. That increase represented 150% of the hourly capacity per lane of the major two-lane road used to reach the plant, resulting in significant rush hour congestion.

The study of four Eastern Shore counties estimated that the increase in the number of commuters coming into the county ranged from a low of 103% (2,524) to 664% (3,101). The county receiving the largest increase (relative and absolute) in the number of commuters was the least likely to experience significant traffic congestion because of the capacity of the major roads leading to the area (3). For each of the other three counties, significant traffic congestion was anticipated at particular points. Those congestion points all occurred at two-lane bridges crossing rivers in the area. In each case, the congestion point had been previously identified by the Maryland Department of Transportation in its long-range plan.

Because the severity of traffic congestion is likely to be dictated by local conditions, it is not possible to reach a general conclusion about the extent to which traffic congestion during plant construction can be mitigated. With adequate advance planning, severe congestion problems that result from existing bottlenecks can be eliminated by altering highway improvement schedules. Congestion resulting from construction period overcrowding of otherwise adequate roads and bridges may be reduced by adjusting work schedules and traffic flow patterns. The extent to which appropriate mitigation measures will succeed in reducing traffic congestion depends on the ability to make long-range planning decisions for road improvements and congestion scheduling.

E. Business Activity

As indicated above, power plant construction may bring a large infusion of new money into a community. Power plant construction spending on payrolls and the purchase of materials represents a major source of potential income for local residents and businesses, particularly in more rural counties. Since the majority of construction material and many of the workers come from outside the local area, large amounts of this spending may leave the area unaffected. However, the amount of local spending that does occur may still constitute a major increase in personal income and in local business activity.

Table V-4 presents predicted estimates of the change in county business activity from the Eastern Shore study (3). The data from the table indicate that in all cases the impact of power plant construction activity on smaller counties can be substantial, in spite of the relatively small proportion of total spending that occurs within the local county. In counties containing larger communities with larger, more diversified economies (which also results in the attraction of more resident workers), a greater proportion of total spending can be retained within the local economy, although that increase represents

Table V-4. Effects on local business -- Four Eastern Shore Counties

	Kent County	Queen Annes County	Dorchester County	Wicomico County
Increases Service Receipts, Peak Year	3,630,000	2,787,000	2,732,000	7,542,000
Increased Service Receipt, Peak Year, % Increase	89%	108%	47%	35%
Increased Wholesale and Retail Sales, Peak Year	35,538,000	29,993,000	35,574,000	50,336,000
Increased Wholesale and Retail Sales, Peak Year, % Increase	61%	51%	41%	14%

a smaller proportionate increase in the county's business volume. (See, for example, Column 4 of Table V-4).

Those county-to-county variations also point to another difference: the smaller counties without large communities typically have a local business structure whose firms are small in size, established, and are frequently not able to respond quickly to a large, rapid change in the size and nature of their market. As a result, these firms are unable to capture as large a share of the new business potential as they might otherwise. Such firms are more likely to be adversely affected by competition by new firms entering the area to capture a share of the plant-induced business activity.

Adequate planning by the existing local business community can increase the amount of business volume and income obtained by the local economy during the construction period.

F. Fiscal Effects

The increase in the number of workers during the construction phase will result in an increase in the demand for public services provided by local and county governments. This increase stems in part from the variety of public services -- such as police and fire service -- required by the total increase in work force, including commuters. Most of this increase comes from those workers who move into the county and make use of schools, fire and police protection, water and sewage treatment, social services and general public administrative functions.

In response to this increased demand, local government has several options available. Public officials may choose to maintain public services at the existing per capita level, which would require increasing the local government budget in proportion to the population increase. Alternatively, recognizing the short-term nature of the increase, public officials may permit the per capita level of services to decline by not expanding services in proportion to the population change. At the limit, services may not be expanded at all.

With the exception of plant sites in the sparsely populated western states, local governments have generally not experienced massive increases in public budgets or major overcrowding of services due to power plant construction. This experience has usually been explained by the fact that power plant construction, particularly in Eastern states like Maryland, has generally taken place in counties located close enough to metropolitan areas to have relatively well developed infrastructures. As a result of the proximity to metropolitan areas, the proportion of workers moving into a project area is also relatively small (see Tables V-1 and V-2). Because the population increases and increased service requirements that do occur are likely to be relatively small and of short-term in duration (see Figure V-1), local officials have frequently found it unnecessary to greatly expand services and budgets (1,4).

The experience in Calvert County during the construction of the Calvert Cliffs plant is similar to that of other Eastern states. County officials elected to avoid major increases in the county budget during the construction

period (1). Some sections of county government did experience increased service requirements. For example, housing shortages, some portion of which stemmed from the Calvert Cliffs construction, resulted in increased use of housing services. Administrative services such as zoning and building permit issuance also increased. School officials estimated an increase of 250 in school enrollment as a result of the work force, an increase of about 3.8 percent. However, the county was able to meet these and other service requirements without a significant budget increase.

Balanced against this demand for services is an increase in revenues. Before the plant comes on line, increased housing prices, new construction of houses, increased local income, and business activity will all increase tax revenues. After the plant begins to operate, the county receives tax income from the property and capital taxes of the plant.

The crucial question for local government is the extent to which these revenues will match the increased government service costs. In the absence of accurate revenue projections, local government officials may be reluctant to expand services and risk deficits.

Pointing to increases in the demand for services which occurs during the construction phase but which diminish at the end of construction and to the increased tax revenues that accrue significantly to the county only after the plant begins operating, local planners have commented on the mismatch in the timing of their expenditure and revenue changes. The size of the potential mismatch can be seen in estimates calculated for Maryland's Eastern Shore (3). Table V-5 shows the annual deficits each of the four counties would experience under the assumption that they increased their service expenditures in proportion to their anticipated population increases (3). Table V-6 show the maximum deficit of each jurisdiction as a percentage of total local revenues in the appropriate year (3).

The data in Table V-5 illustrates the variation that exists between counties. These variations are the result of differences in the various tax rates and in the extent to which workers move into the county and provide increased tax revenues through increased property values and property taxes and increased sales taxes and business taxes. Dorchester and Wicomico Counties, which experience the largest absolute increase in population, and which also have more extensively developed infrastructures, experience a balanced flow of revenues and expenditures. The other counties and all of the cities -- which experience much of the population impacts but less of the revenue benefits because of plant location -- all experience deficits throughout the construction phase.

As seen in Table V-5 and V-6, the county deficits are significant, but are manageable in size. In the case of three of the four cities, however, the deficits are of very substantial proportions. Those municipal deficits will require either outside assistance, local tax increases, or potentially significant reductions in the level of services provided. At both the county and municipal levels, service reductions or tax increases may aggravate the congestion, housing and other difficulties experienced during construction.

Once a power plant comes on line, local county governments receive a significant increase in tax revenues from the utility. Without a mechanism to permit borrowing against these revenues, the county and municipal governments

Table V-5. County and municipal fiscal effects -- Four Eastern Shore Counties

Year	Revenues	Costs	S/(D)*	Revenues	Costs	S/(D)	Revenues	Costs	S/(D)	Revenues	Costs	S/(D)
COUNTIES												
Kent												
1	34,331	33,049	1,282	26,345	34,416	1,929	41,132	34,345	6,787	42,167	35,222	6,945
2	68,542	71,444	(2,902)	52,874	55,565	(2,691)	86,115	73,672	12,443	91,713	78,655	13,058
3	258,143	288,154	(30,011)	195,603	207,276	(11,673)	349,551	324,287	25,264	385,926	351,507	34,419
4	476,233	527,611	(51,378)	352,652	383,193	(30,541)	689,182	652,584	36,598	757,969	712,187	45,782
5	736,444	882,625	(146,181)	563,774	631,255	(67,481)	1,002,180	950,409	51,711	1,082,893	1,047,824	35,069
6	735,606	912,716	(177,110)	565,196	650,074	(84,878)	1,010,024	982,903	27,121	1,116,751	1,088,766	27,985
7	544,177	569,794	(25,617)	430,329	392,573	37,756	789,082	730,474	58,608	811,321	679,018	132,303
8	332,679	183,011	149,668	281,665	130,555	151,110	551,530	197,790	353,740	484,427	216,203	268,224
9	247,222	49,334	197,888	223,063	37,477	185,586	459,706	50,219	409,487	345,399	55,059	291,340
MUNICIPALITIES												
Chestertown												
1	1,856	2,965	(1,009)	897	1,694	(797)	5,971	10,960	(4,989)	3,873	6,256	(2,383)
2	3,947	6,273	(2,326)	1,906	3,433	(1,527)	15,228	24,085	(10,857)	8,376	13,469	(5,093)
3	15,425	26,092	(10,667)	7,536	14,765	(7,229)	58,456	106,487	(48,031)	37,555	61,629	(24,074)
4	30,127	47,601	(17,474)	14,132	27,319	(13,187)	123,612	215,198	(91,586)	76,253	126,027	(49,774)
5	49,869	81,638	(31,769)	24,454	44,908	(20,454)	188,902	316,667	(127,765)	111,665	187,301	(75,636)
6	50,073	84,702	(34,629)	24,482	46,355	(21,873)	189,801	329,017	(139,216)	113,651	195,786	(82,135)
7	37,376	53,195	(15,819)	19,582	27,055	(7,473)	165,403	207,049	(41,646)	89,899	123,164	(33,265)
8	23,177	17,210	5,967	14,563	9,455	5,108	136,682	66,634	72,048	63,942	39,386	24,556
9	17,761	4,680	13,081	12,615	2,765	9,850	128,684	16,698	111,986	53,663	10,079	43,584
Salisbury												
Cambridge												
Dorchester												
Queen Annes												
Wicomico												

* S/(D) = Surplus/(Deficit)

Table V-6. Projected deficits due to plant construction -- Four Eastern Shore Counties

County or Municipality	Maximum Deficit % of Current Property Tax Revenues	Maximum Deficit as % of Total Revenues
Kent	6.6%	4.0%
Queen Anne's	2.8%	1.9%
Dorchester	Surplus	Surplus
Wicomico	Surplus	Surplus
Chestertown	23.7%	13.8%
Centerville	41.4%	21.3%
Cambridge	18.3%	13.3%
Salisbury	3.7	2.9%

cannot reduce the fiscal strains which some jurisdictions may experience during construction.

The revenues received by local governments once a plant begins to operate do provide new flexibility in the options available to the locality, including capital improvements, housing upgrading, expanded social or service activities, and reductions in tax rates. For example, Table V-7 gives the tax receipts estimated for the four Eastern Shore counties (3). The variation in these tax receipts is largely the result of variations in tax rates among the counties.

Due to the very high capital cost of modern base-load units, tax receipts from these facilities tend to be substantial. As indicated by the comparison between tax revenues and current county budgets shown in Table V-7, the tax revenues received from a power plant can dwarf other revenues and expenses in the budget of a rural county. It is not uncommon in such cases for the county to reduce tax rates significantly, which has the effect of reducing power plant tax revenues as well.

Table V-8 gives the revenues received by all Maryland counties from electric utilities (5). Table V-8 also indicates the size of the revenue increase relative to the existing county budgets. These tax payments vary substantially, and depend largely on the nature and age of the facilities owned by utilities in each county, as well as on local tax rates. The presence of power plants in Anne Arundel, Baltimore, Calvert, Montgomery, and Prince George's Counties and Baltimore City are evident in the tax receipts of these counties. The impact of a large facility on the budget of a largely rural county is most evident in Calvert County. However, even the presence of an older plant in a rural county has some impact, as may be seen in the cases of Charles and Dorchester Counties.

G. Summary

In summary, power plant construction in Maryland is not likely to induce the kind of boomtown effects experienced by western energy development. Depending on the size, location, and infrastructure of the county in which power plant development does occur, however, significant effects may be experienced in the area of housing, traffic congestion, and local population changes. In all jurisdictions, gains in personal income and business sales are likely. Local government budgets and service requirements may increase, but the size of the increase and any potential budget imbalances will vary substantially between counties. In some instances, particularly at the municipal level, the magnitude of the potential imbalance could lead to a deterioration of services or to the necessity of raising new revenues to cover potential deficits.

Table V-7. County revenues, operating period -- Four Eastern Shore Counties

County	Revenues	As % of Current Budget
Kent	36,000,000	650%
Queen Annes	27,000,000	390%
Dorchester	40,000,000	450%
Wicomico	28,000,000	140%

Table V-8. Total taxes paid to Maryland Counties by Maryland utilities, fiscal year 7/1/77 - 6/30/78

County	Utility Total Taxes Paid to County	Utility Tax Payments as % of County Budget
Allegheny	266,121	1.2
Anne Arundel	4,488,153	2.0
Baltimore City	17,983,231	1.7
Baltimore County	9,152,877	2.8
Calvert	11,552,445	48.1*
Caroline	151,105	2.7
Carroll	654,042	2.3
Cecil	643,978	3.8
Charles	3,765,579	15.1
Dorchester	780,364	8.7
Frederick	1,315,699	3.6
Garrett	260,305	3.3
Harford	2,696,904	4.8
Howard	1,303,675	2.2
Kent	168,017	3.1
Montgomery	14,165,565	2.7
Prince Georges	14,327,239	3.5
Queen Annes	120,946	1.7
St. Marys	30,485	0.2
Somerset	133,826	3.3
Talbot	81,058	0.9
Washington	770,835	2.7
Wicomico	384,651	1.9
Worchester	254,459	1.8

* If adjusted for one-time capital expenditure out of current expenses budget this figure would increase to 72.2%

REFERENCES -- CHAPTER V

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