

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Chesapeake Bay

Chesapeake and Atlantic Coastal Bays Critical Areas Protection Program

During the 2005 interim, two court cases in Talbot and Calvert counties created a number of inconsistencies in the interpretation of the State's Chesapeake and Atlantic Coastal Bays Critical Area law. The Circuit Court for Talbot County questioned the processing of a local program change by the Critical Area Commission as a program amendment rather than as a refinement, despite the fact that the decision on whether a change is a refinement is within the chairman's authority. The court also held that the commission could not ensure that a proposed growth allocation in St. Michaels met the goals of the critical area law and the requirements of the commission's criteria and that the commission may not attach conditions to its approval of a local program amendment.

Meanwhile, the Circuit Court for Calvert County created a gray area with regard to the types of activities that constitute "development" by holding that a property owner who authorized unlawful cutting of trees in the critical area was not a developer and that the tree cutting did not constitute "development activities" under the local critical area ordinance.

Senate Bill 751 (Ch. 55) was introduced to correct these inconsistencies and to provide for a uniform application of critical area law across the State. Specifically, the Act modifies provisions relating to the review of a local jurisdiction's proposed use of growth allocation and to the decision process for amendments and refinements of local programs. The Act establishes a definition for "developer" to provide that any person who undertakes development activities within the critical area is considered a developer. The Act also modifies the definitions of "program amendment" and "program refinement" to eliminate ambiguity in the current definitions and to conform the definitions to the procedural requirements of the critical area law.

The use of growth allocation in environmentally sensitive resource conservation areas was the subject of *Senate Bill 257* and *House Bill 1138 (both failed)*. These bills were

introduced in response to a number of proposed developments near the Blackwater National Wildlife Refuge in Dorchester County. One proposed development in particular, Blackwater Resort Communities, which is located approximately 3.5 miles from the northernmost point of the refuge, has raised concerns regarding the impacts of development on the Little Blackwater River Watershed and the refuge. The bills would have prohibited the use of growth allocation for the development of property designated as a resource conservation area and located in specified areas.

Land Preservation

Local Land Use

There are several programs in the Department of Natural Resources (DNR) to purchase property and conservation easements from willing sellers, including Program Open Space (POS), Rural Legacy, and the Maryland Environmental Trust (MET). While local governments generally are responsible for issuing subdivision plats and plans, residential building permits, and other permits related to land use, questions have arisen regarding the authority of a local government to deny a permit for any activity that may violate the terms of an agreement under POS, Rural Legacy, or MET. In response, *Senate Bill 844/House Bill 1277 (both passed)* authorize a county or municipal corporation to deny an application for a subdivision plat or plan, a residential building permit, or any other nonagricultural use or activity (including an access road) if the administrator of the land conservation program has not approved the use for the land for which an application is made.

State Waters – Vessels

Vessel Excise Tax

Except under specified conditions, an excise tax is levied at the rate of 5 percent of the fair market value of a vessel on the issuance of every original certificate of title required for a vessel, the issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel, the sale within the State of every other vessel, and the possession within the State of a vessel purchased outside the State to be used principally in the State. The “state of principal use” is defined in statute to mean the state on whose water a vessel is used most during a calendar year.

DNR historically has applied a vessel excise tax on vessels that are purchased outside the State and used in Maryland the greatest percentage of a calendar year. *Senate Bill 316 (Ch. 73)*, an emergency bill, clarifies that the excise tax applies to vessels used principally in the State, despite the owner’s intention of where the vessel would be principally used at the time of purchase. The Act also exempts from the vessel excise tax the possession within the State of a vessel for a period of up to one year if the current owner is a member of the armed services and is serving on active duty in the State.

House Bill 1234 (Ch. 106) modifies the definition of “state of principal use” to include jurisdictions such as the District of Columbia, which allows DNR to take into consideration such

jurisdictions in the calculation of principal use when determining vessel excise tax liability. The Act also repeals certain obsolete provisions of the State Boat Act.

Senate Bill 317 (Ch. 74) releases a boat dealer from the responsibility of collecting the vessel excise tax when the purchaser certifies that the principal use will be established in a state other than Maryland. The exemption applies if the vessel is purchased from a licensed dealer, the issuance of a title is not sought or required, the vessel is not used or to be used in the State, the vessel is duly registered in another jurisdiction within 30 days of purchase, and the dealer and the purchaser execute an agreement certifying the state of principal use for the vessel which is filed with DNR within 30 days of purchase.

The law allows for an exemption from the vessel excise tax for vessels that are transferred to immediate family. However, because the chain of ownership on a federally documented vessel is handled by the United States Coast Guard, the taxable event upon which the gift exemption is based cannot be applied to federally documented vessels. *Senate Bill 318 (passed)* establishes an exemption from the vessel excise tax for federally documented vessels transferred between immediate family members so long as the vessel has a valid use sticker issued by DNR.

Reckless Operation

A person may not operate a vessel recklessly or in a manner that may endanger another or the property of another on a bay, creek, lake, river, or stream in the State, and a person may not come into a wharf or bathing shore recklessly or in a manner that may endanger a person or property. A person who violates these prohibitions is guilty of a misdemeanor and on conviction is subject to a fine of between \$25 and \$200, or imprisonment for up to 30 days, or both.

Senate Bill 965/House Bill 666 (both passed) modify the penalties for operating a vessel recklessly or in a manner that may endanger another or the property of another by specifying that the current penalties apply only to a first offense. For a second or subsequent conviction, a person is subject to imprisonment not exceeding 60 days, or a fine not exceeding \$500, or both.

Miscellaneous

Collection Certificates

Senate Bill 128 (passed) authorizes the Secretary of Natural Resources to grant certificates to any properly accredited person for the collection of specified fisheries-related items for educational purposes. The bill also authorizes the Secretary to adopt regulations governing the issuance, revocation, term, and conditions of collection certificates. Under current law, the Secretary is authorized to grant collection certificates for scientific or educational purposes to collect wildlife. However, the authority to grant collection certificates for fisheries-related items is more restrictive and does not specifically include educational purposes. According to DNR, the bill codifies current practice.

Tree Experts

Senate Bill 123 (passed) is an emergency bill that modifies the requirements that must be met before a person may obtain a tree expert license. Chapter 197 of 2005 required persons who represent themselves to the public as skilled in the trimming, pruning, thinning, cabling, shaping, removing, or reducing the crown of trees to be licensed by DNR. Because the experience and education requirements were not also modified under Chapter 197, several individuals who are now required to be licensed do not meet the licensing requirements. To address this issue, representatives of DNR and various interest groups met in August 2005 and agreed upon changing the tree expert licensing statute to include a grandfathering provision that would allow examinees to demonstrate that they had been working for a legitimate tree company for three years, without that time having to have been under the supervision of a license holder. The bill's provisions regarding eligibility to obtain a tree expert license terminate on May 31, 2007.

Green Buildings

House Bill 1211 (passed) establishes a Task Force on Green Building. A green building uses less energy, protects local ecosystems, and enhances the health of its occupants. During construction, a green building preserves, restores, or does not disturb local ecosystems and biodiversity. After construction, low-water-use landscaping is used, pesticides avoided, and rainwater collected and used. Recycled or salvaged building materials are preferred, and materials that generate pollution in their manufacture are shunned. For green building, various strategies are used to reduce environmental impact, beginning in the land-use planning and construction phases through the whole life of the building. Smaller and simplified building design uses space more efficiently, leaving a smaller building footprint. Finally, green building provides an environmentally friendly atmosphere for the inhabitants, promoting health through continuous ventilation, reduced mold and mildew, exposure to daylight, windows that open, task lighting, and individual temperature controls.

The task force is charged with evaluating and making recommendations regarding methods of facilitating public demand for environmentally sensitive communities and improving low-impact sustainable development. The Department of Housing and Community Development and the Maryland Department of Planning must provide staff for the task force. A preliminary report of its findings and recommendations is due to the Governor and specified legislative committees by January 1, 2007. A final report is due by October 1, 2007. The bill will terminate on October 31, 2007.

Hunting and Fishing

Hunting

Licenses

The Department of Natural Resources (DNR) is authorized to issue a complimentary annual hunter's license to certain individuals, including any Maryland resident who certifies that the resident is a former prisoner of war or 100 percent service-connected disabled American veteran. *House Bill 282 (passed)* authorizes DNR to issue a lifetime, instead of annual, complimentary hunter's license for these veterans.

A resident owner of farmland and the owner's spouse, children, and children's spouse are not required to obtain a hunter's license or stamps to hunt on the farmland. A tenant and the tenant's spouse, children, and if residing on the farmland, children's spouse, and specified nonresidents, are also eligible for this exemption. *Senate Bill 766 (passed)* modifies these exemptions by establishing a definition for "child" that includes a foster child, stepchild, grandchild, foster grandchild, and stepgrandchild. The bill also requires that, to qualify for the exemption, a child must be eligible to purchase a junior resident or junior nonresident hunting license. This provision limits the application of the exemption to children under the age of 16 years who have completed a State-approved hunter safety course. The bill also repeals the exemption for a child's spouse.

Sunday Deer Hunting

Because white-tailed deer thrive in habitat that is composed of woods and openings, and because hunter access in those areas is limited, recent suburban development has provided excellent deer habitat in the State. The high population of deer has resulted in a marked increase in the number of human-deer conflicts, including deer-vehicle collisions, damage to crops and vegetation, and incidents of Lyme disease.

DNR establishes the open season to hunt forest and upland game birds and mammals by regulation each year. There are three seasons to hunt deer in Maryland: deer bow hunting season, deer firearms season, and deer muzzle loader season. Except for specified persons and under specified conditions, hunting game birds or mammals on Sundays is prohibited. *House Bill 939 (passed)* repeals the prohibition regarding deer hunting on private land in Montgomery County on the first Sunday of the bow and firearms seasons. The bill also requires DNR to conduct a study and report to the General Assembly regarding the effectiveness of Sunday hunting. *Senate Bill 278/House Bill 205 (both passed)* repeal the prohibition regarding deer hunting on private land in Anne Arundel County on the first Sunday of the bow and firearms seasons.

Waterfowl

By regulation, DNR establishes an offshore waterfowl hunting zone. Within this zone, a person may hunt waterfowl while standing on the natural bottom, from a boat that is drifting or being sculled, or from a boat that is anchored. In most areas, a person must be at least 800 yards from shore. In specified waters, the minimum required distance is 400 yards. *House Bill 1207 (passed)* decreases the minimum distance, from 800 to 400 yards, that a person hunting wild waterfowl in DNR-approved waters in Harford and Baltimore counties must be from shore while standing in water on the natural bottom, from a boat that is drifting or being sculled, or from a boat that is anchored.

Hunting via Internet

Senate Bill 521 (Ch. 29) prohibits a person from shooting at or killing a bird or animal in the State with a gun or other device operated or accessed via an Internet connection. A person who violates this prohibition is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$10,000 or imprisonment not exceeding one year or both. In addition, the person's hunting privilege or hunting license must be revoked and the person must be denied the privilege of hunting in the State for at least two years but not more than five years if convicted of Internet hunting.

Leghold Traps

In Anne Arundel, Baltimore, Montgomery, and Prince George's counties, a person may not use, set, place, or maintain any steel-jaw leghold trap on land. The steel-jaw leghold trap may be used for the capture of furbearing mammals in water only. This prohibition does not apply to traps set on farmland by the owner of the farmland, by the owner's agent or tenant, by the owner's lessee, or by any member of the owner's or tenant's immediate family who resides on the farmland. The prohibition also does not apply to traps set by an authorized agent of the Maryland Forest, Park and Wildlife Service under guidelines established by DNR. *House Bill 465 (passed)* applies these provisions relating to the use of steel-jaw leghold traps to Howard County.

Fishing

Aquaculture

A person must obtain a permit from DNR to engage in aquaculture activities; there is no permit fee. "Aquaculture" means the commercial rearing of fish or aquatic plants for sale, trade, barter, or shipment. DNR is required by law to adopt regulatory requirements to ensure that aquaculture operations do not adversely impact wild stocks of fish.

Under DNR regulations, a person may not import or possess within the State shellfish (including seed oysters) taken from waters outside the waters of the State for planting in the waters of the State, unless a permit is obtained from DNR. DNR must issue a permit if presented with satisfactory proof that the shellfish will not be harmful to Maryland shellfish. *House Bill*

1188 (passed) requires the Aquaculture Coordinating Council to investigate and make recommendations on the establishment of areas for seed production, sale, and use and the feasibility and impacts of exempting aquaculture from harvest restrictions, including seasons, catch limits, size limits, quotas, and methods of harvest.

Chapter 54 of 2001 prohibited DNR from issuing an aquaculture permit for the raising of a transgenic species or a genetically altered species unless two conditions are met. The permit must limit the operation to waters of the State that do not flow into any other body of water, and the operation must be constructed in a manner that assures that transgenic or genetically altered stocks are precluded from entering any other waters or contaminating other aquatic species of the State. “Transgenic” means an organism into which genetic material from another organism has been experimentally transferred, so that the host acquires the genetic traits of the transferred genes. **House Bill 108 (passed)** extends the termination date of this prohibition, from September 30, 2006, to December 31, 2011.

Fishery Management Plan – Diamondback Terrapin

The diamondback terrapin is the only species of turtle in North America that spends its life in brackish water (salty but less so than sea water). Diamondback terrapins produce about 40 eggs per year and do not reach maturity until a minimum of eight years of age. Survival rates during the first year are estimated as low as 20 percent. The low reproductive potential of terrapins indicates that females must reproduce for many years for the population to grow or remain stable. The diamondback terrapins can live beyond 50 years.

DNR is currently studying the number of diamondback terrapins living in the Chesapeake Bay. In some areas, the diamondback terrapins appear to be in decline due to many factors, including destruction of nesting beaches, excessive predation by raccoons, and large-scale commercial harvesting whereby the diamondback terrapins are killed and sold for food. In addition, many diamondback terrapins drown in eel and crab pots. These deaths are preventable by equipping pots with devices as required by Maryland law.

House Bill 980 (passed) requires DNR to prepare a fishery management plan for the diamondback terrapin. The bill also modifies provisions regarding the adoption of regulations governing terrapins and requires that these regulations be consistent with the recommendations of the Maryland Diamondback Terrapin Task Force issued in 2001.

Tidal Fish License Apprenticeship Program

Maryland operates under a limited entry program for commercial fishing licensees. DNR is authorized to accept an application for an apprenticeship permit from a person who is at least 14 years of age and who does not qualify for a tidal fish license or authorization. DNR may issue this permit if the number of tidal fish authorizations issued for that fishing activity is less than the target number established by regulation. Applicants to the apprenticeship program must complete specified requirements.

According to DNR, a number of individuals who have previous commercial fishing experience are unable to count that experience towards the practical experience requirements under the apprenticeship program. In addition, license applicants must serve a two-year apprenticeship. *Senate Bill 274 (passed)* modifies the practical experience requirements under the apprenticeship program by crediting past experience and by repealing specific time frames during which a person is required to obtain commercial fishing experience.

Environment

Air Quality: Power Plant Emissions

Healthy Air: The Air and Radiation Management Administration within the Maryland Department of the Environment (MDE) operates the State's air pollution control programs under the framework established by the federal Clean Air Act (CAA). CAA requires all areas of the country to achieve specific air quality standards. Under CAA, new major stationary sources and existing major sources undergoing major modifications must install additional pollution control technologies. However, many older power plants have been able to avoid upgrading their pollution control technology by claiming that their modifications are "routine maintenance." In addition, several plants are not subject to certain federal requirements due to their age. As a result, the majority of older power plants have only limited pollution control technology in place.

Approximately two-thirds of the electricity generated in Maryland comes from the burning of fossil fuels (coal, oil, and natural gas). The process of burning fossil fuels produces many different air pollutants including sulfur dioxide (SO₂), nitrogen oxides (NO_x), carbon dioxide (CO₂), mercury, volatile organic compounds, and particulate matter. These pollutants are implicated in a host of environmental problems including smog, acid rain, global warming, and water pollution. In addition, the U.S. Environmental Protection Agency (EPA) has identified numerous human health impacts associated with several of these pollutants, such as respiratory illness, aggravated heart disease, developmental disabilities, and premature death.

Recently, there has been considerable activity regarding multi-pollutant proposals to limit power plant emissions. Several federal rules have been promulgated and proposed in the past year, such as the Clean Air Interstate Rule and the Clean Air Mercury Rule. In addition, in November 2005, Governor Ehrlich announced that MDE would be proposing regulations addressing emissions of NO_x, SO₂, and mercury from specified coal-fired power plants in the State. The proposed regulations were submitted to the Administrative, Executive, and Legislative Review (AELR) Committee on March 24, 2006.

In an effort to reduce emissions of NO_x, SO₂, mercury, and CO₂ from power plants in the State, *Senate Bill 154 (Ch. 23)*, the Healthy Air Act, establishes specified limits on the emissions of NO_x, SO₂, and mercury from specified coal-fired electric generating facilities in the State. Affected facilities must submit annual reports to MDE, the Department of Natural Resources, and the Public Service Commission (PSC). The Act lists seven "affected facilities" that are subject to these requirements. It requires MDE to set emissions budgets for each affected facility

to implement the emissions limitations. Owners and operators of affected facilities are authorized to determine how best to achieve the collective emissions requirements for NO_x and SO₂. If EPA allocates emission allowances for mercury, SO₂, or NO_x to the State, the Act prohibits their application to in-State reductions, but allows them to be sold and transferred out of State.

The Act establishes provisions specific to one of the seven affected facilities. Specifically, MDE is required to allow the R.P. Smith facility in Western Maryland to operate without complying with the emissions requirements if the PJM Interconnection, Inc. determines that the termination of operation of the facility will adversely affect grid reliability. The facility would be prohibited from operating at emissions levels greater than its 2000 - 2004 levels, and MDE would be required to review the operations of the facility and establish an alternative emissions requirement.

The Healthy Air Act also addresses CO₂ emissions by requiring the Governor to include the State in the Regional Greenhouse Gas Initiative (RGGI). RGGI is a seven-state coalition (Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, and Vermont) created to discuss the design of a regional cap-and-trade program to reduce emissions of greenhouse gases, such as CO₂, from power plants in the region. RGGI has established internal procedures to determine if and how observer states, such as Maryland, may become member states. RGGI has established goals to cap CO₂ pollution from power plants between 2009 and 2015, with further reductions between 2015 and 2018. In an effort to address concerns raised regarding the potential impacts of participating in RGGI, the Act directs MDE to contract with an academic institution in the State for a study of whether there will be an adverse impact on the State economy, the reliability of the State's energy supply, and the cost of energy for consumers as a result of the State's entry into and continued participation in RGGI. Further, the State may withdraw from the initiative at any time after January 1, 2009. If the State's participation in RGGI ceases for any reason, the Governor must report to the General Assembly regarding why participation ceased and a plan to reduce CO₂ emissions from power plants in the State.

The universe of affected facilities under RGGI is different than the affected facilities specified in the Healthy Air Act. In general, RGGI will cover electric generating units that have a nameplate capacity equal to or greater than 25 megawatts and burn more than 50 percent fossil fuel. Some exemptions may apply. Under RGGI, facilities must hold allowances for 100 percent of their CO₂ emissions beginning in 2009; revenue from the sale of at least 25 percent of the allowances, which could generate millions of dollars annually, will be used for consumer benefit or strategic energy purposes.

A comparison of the limits under MDE's proposed regulations and those established in the Healthy Air Act is shown in **Exhibit K-1**.

Exhibit K-1
Comparison of Pollutant Limits under MDE's Proposed Regulations and the Healthy Air Act

	Number of Affected Facilities	NO_x (in tons)	SO₂ (in tons)	Mercury	CO₂
MDE's Proposed Clean Power Rule*	Six	20,216 (2009)		75% removal (2010)	Not covered
		16,667 (2012)		90% removal (2013)	
Healthy Air Act	Seven**	20,216 (2009)	48,618 (2010)	80% removal (2010)	Participation in RGGI – 10% reduction (2018)
		16,667 (2012)	37,235 (2013)	90% removal (2013)	

* Based on proposed regulations submitted to the AELR Committee on March 24, 2006.

**The seventh facility not included in MDE's proposed regulations is the R. Paul Smith Power Station. The Healthy Air Act includes provisions specific to this facility that would allow the facility to be exempt from the bill's emissions limitations under specified conditions.

In order to meet the compliance dates, the Act establishes provisions requiring PSC to expedite review, approval, and processing of certain applications under specified conditions. Finally, the Act establishes provisions regarding allowance penalties and the surrender of allowances for violations of the NO_x and SO₂ limits; these penalties would be in addition to certain existing penalties. MDE is authorized to reduce or waive penalties under specified conditions. MDE must adopt regulations to implement the Act by June 30, 2007.

CAA Permitting Requirements: In most states, the CAA permitting requirements are implemented by the states under state authority conforming to federal CAA requirements. In Maryland, MDE issues pre-construction permits for industrial and other sources of air pollution, but PSC is the State agency that issues air quality pre-construction permits for power plants through the certificate of public convenience and necessity (CPCN) process. The CPCN acts as the construction permit for a power plant in place of a permit from MDE. In order to address EPA's concerns that State law does not clearly cover all modifications of power plants that are subject to the pre-construction permit requirements under the CAA, *House Bill 190 (passed)* requires the PSC to determine whether a proposed modification to a power plant is exempt from construction permit requirements because the modification will not increase air emissions from the plant or any of its generating units. The bill is intended to ensure that only modifications that are not subject to the pre-construction permit requirements are exempt from the requirement to

obtain a CPCN from PSC. All power plants are still subject to operating permits issued by MDE, regardless of whether any modification is exempt from a requirement for a CPCN.

Energy Conservation and Alternative Energy Sources

In addition to the concern regarding the environmental impacts of traditional energy sources, recent increases in energy prices have prompted greater interest in energy conservation and alternative energy sources.

Energy Conservation: *Senate Bill 267/House Bill 1463 (both passed)* change target percentages and dates for the reduction of energy consumption in State buildings. The bills also alter dates by which each State agency must conduct energy consumption analyses on each of its buildings and upgrade its energy conservation plan. For a more detailed discussion of this issue, see the subpart “State Agencies, Offices, and Officials” within Part C – State Government of this *90 Day Report*.

Clean Energy: *Senate Bill 314/House Bill 395 (both passed)* reauthorize the clean energy incentive tax credit by (1) authorizing the Maryland Energy Administration to award a total of \$25 million in credits until December 31, 2010; (2) altering the types of energy resources that can qualify for the credit; and (3) changing the dates a facility can qualify for the credit if it is originally placed in service or begins co-firing a qualified energy resource on or after January 1, 2006, but before January 1, 2011. For a more detailed discussion of this issue, see the subpart “Income Tax” within Part B – Taxes of this *90 Day Report*.

Biodiesel: *Senate Bill 54 (passed)* requires that at least 50 percent of diesel-fueled vehicles in the State vehicle fleet use a blend of fuel that is at least 5 percent biodiesel fuel, beginning in fiscal 2008. For a more detailed discussion of this bill, see the subpart “Procurement” within Part C – State Government of this *90 Day Report*.

Coalbed Methane: Coalbed methane is the natural gas that lies trapped in coal seams. MDE advises that, currently, there are no coalbed methane wells in Maryland. Coalbed methane is produced in surrounding states, however, and has become more marketable with peak demands in the energy market. According to the U.S. Department of Energy, coalbed methane accounts for 10 percent of all domestic natural gas reserves and, in 2004, accounted for 9 percent of U.S. dry gas production. MDE advises that one company currently operating in the Appalachian region has expressed interest in exploring for coalbed methane in Western Maryland.

A person may not drill any well for the exploration, production, or underground storage of gas or oil in the State without obtaining a permit from MDE. In general, a well for the production or underground storage of gas or oil may not be drilled on any property closer than 1,000 feet to the boundary of the property except by agreement with the owners of the gas and oil on adjacent lands. *Senate Bill 881/House Bill 1451 (both passed)* could encourage coalbed methane exploration in Maryland by reducing the required setback from 1,000 feet to 500 feet for coalbed methane wells.

For a discussion of other energy-related issues considered during the 2006 session, see the subpart “Public Service Companies” under Part H – Business and Economic Issues of this *90 Day Report*.

Waste Management

Solid Waste Acceptance Facilities

Each county must have a county plan or a plan with adjoining counties that is approved by MDE; covers at least the 10-year period next following adoption by the county governing body; and deals with water supply systems, sewerage systems, solid waste disposal systems, solid waste acceptance facilities, and the systematic collection and disposal of solid waste. Siting and other land use or zoning criteria for proposed solid waste acceptance facilities are the responsibility of local jurisdictions. Permits to install, alter, or extend solid waste acceptance facilities are issued by MDE. Applicants are required to obtain local approvals prior to applying to MDE for a permit. *Senate Bill 682/House Bill 363 (both passed)* authorize a county to remove a proposed solid waste acceptance facility from the county’s 10-year solid waste master plan under specified conditions. The bills apply retroactively.

In response to concerns regarding the location of some proposed facilities, *Senate Bill 51 (passed)*, an emergency bill, prohibits MDE from issuing a permit to construct or operate a rubble landfill within four miles of Unicorn Lake in Queen Anne’s County or within one mile of three specified creeks and/or tributaries or any other tributary in Prince George’s County that flows directly or indirectly into the Potomac River. The bill terminates June 1, 2009.

Recycled Content of Newsprint

For 2005 and all subsequent calendar years, the recycled content percentage requirement, by weight, is 40 percent of the total newsprint used by the publisher during that calendar year for newspapers. In the year following a determination by MDE that the percentage requirement has not been met on a statewide basis, each newspaper must satisfy the requirement or pay a newsprint recycling incentive fee for that calendar year. According to the Maryland-Delaware-District of Columbia Press Association, given collection and manufacturing realities, newspapers cannot be sure that in any given year they will be able to meet the 40 percent requirement. In response to those concerns, *Senate Bill 346/House Bill 1238 (both passed)* provide more flexibility to publishers by applying the 40 percent requirement to a three-year reporting period rather than to a calendar year. This change is intended to provide the flexibility that is needed to allow for fluctuations in the old newspaper and recycled newsprint markets and for short-term newspaper production problems.

Mercury

Mercury is a naturally occurring element that is found in air, water, and soil. In small quantities, it can conduct electricity, measure temperature and pressure, and act as a catalyst in industrial processes. However, it does not degrade and is not destroyed by combustion; rather, it is a persistent and toxic pollutant that bioaccumulates in the environment. Accordingly, mercury

can reach dangerous levels in fish, even when released in small quantities. Consumption of mercury-contaminated fish poses a significant health threat. As a result, efforts are being made to curtail the use of mercury and to encourage recycling of mercury-containing products. *Senate Bill 772 (Ch. 56)* prohibits a marketer from selling or providing a thermostat containing mercury to a consumer, beginning October 1, 2007. The Act also requires MDE, by that same date, to study and report to the Governor and specified legislative committees regarding the statewide collection, reclamation, and recycling of all products that contain mercury. The Act specifies items that must be included in the report and directs MDE to consult with an advisory group of interested stakeholders.

Lead

Lead poisoning impacts the cognitive and physical development of young children. Children are exposed to lead through breathing lead paint dust, eating lead paint chips, or absorbing lead while in-utero. Most exposures can be eliminated by removing lead paint from the homes of children and pregnant women. MDE's Lead Poisoning Prevention Program serves as the coordinating agency of statewide efforts to eliminate childhood lead poisoning. Under the 1994 "Reduction of Lead Risk in Housing Law," MDE assures compliance with mandatory requirements for lead risk reduction in rental units built before 1950; maintains a statewide listing of registered and inspected units; and provides blood lead surveillance through a registry of test results of all children tested in Maryland. The program also oversees case management follow-up by local health departments for children with elevated blood lead levels; certifies and enforces performance standards for inspectors and contractors working in lead hazard reduction; and performs environmental investigations for lead-poisoned children. The program provides oversight for community education to parents, tenants, rental property owners, homeowners, and health care providers to enhance their role in lead poisoning prevention.

House Bill 1450 (passed) doubles the maximum administrative, civil, and criminal penalties applicable to violations of the Reduction of Lead Risk in Housing subtitle.

Senate Bill 586 (passed) exempts outside surfaces of an affected property from the risk reduction standards if all exterior surfaces are lead-free and the owner submits an inspection report to MDE that (1) indicates that the outside surfaces have been tested for the presence of lead-based paint in accordance with standards and procedures established by MDE by regulation; (2) states that all outside surfaces are lead-free; and (3) is verified by the MDE accredited inspector who performed the test.

House Bill 1676 (passed) makes changes to the provisions regarding blood lead testing. For a more detailed discussion of this bill, see the subpart "Public Health – Generally" under Part J – Health of this *90 Day Report*.

Oil

The Oil Control Program within MDE's Waste Management Administration regulates all oil-related activities, such as aboveground and underground oil storage facilities, oil-contaminated soil treatment facilities, oil transportation, and remediation sites. MDE is required

to prescribe by rule or regulation approved methods, facilities, standards, and devices for transfer, storage, separating, removing, treating, transporting, or disposing of oil and other unctuous substances to prevent water pollution. A person other than a vessel or barge may not engage in any commercial or industrial operation involving these activities unless he has obtained a permit from MDE indicating that the activities are in conformity with the prescribed rules and regulations. **House Bill 1708 (passed)** prohibits a person other than a vessel or barge from engaging in any commercial or industrial operation involving the transfer, storage, separation, removal, treatment, transport, or disposal of oil and other unctuous substances unless the person has submitted satisfactory evidence to MDE that the operation meets all applicable county zoning and land use requirements. According to MDE, the term “unctuous substances” relates to oily substances, including oily sorbents, soils, and sludges.

Water Management

Chesapeake Bay Restoration

The Chesapeake Bay is America’s largest and most productive estuary with 6,000 miles of shoreline and has the ability to produce over half a billion pounds of seafood each year. By the early 1980s, however, it became clear that the quality and productivity of the bay was in serious decline. In response to this trend, in 1983, the bay states, the District of Columbia, the Chesapeake Bay Commission, and the federal government signed the first Bay Agreement, which set out a list of broad objectives for bay restoration. A more aggressive agreement was signed in 1987, but, by the end of the 1990s, the bay was still in decline. In 1999, EPA identified the bay as an impaired water body. In 2000, the Chesapeake Bay partners negotiated the Chesapeake Bay 2000 Agreement (C2K), which laid out a new framework of bold restoration goals. As part of C2K, specific pollution reduction goals have been allocated to the various bay states.

On February 24, 2006, a draft of Maryland’s Chesapeake Bay Tributary Strategy Implementation Plan was released; the draft plan details programs and policies already underway as well as new initiatives that will be needed for the State to reach its C2K goals. While some important progress has been made, such as the establishment of the Bay Restoration Fund in 2004, a significant increase in resources, coupled with the implementation of more cost-effective, high-impact bay restoration strategies, will be needed. According to a draft Tributary Strategy funding analysis, Maryland’s existing funding sources will cover only 39 percent of the estimated \$10 billion needed to implement the State’s strategy through 2010.

Agricultural Stewardship: Agriculture is seen as one of the next greatest opportunities to improve bay water quality. Although recent changes to the Water Quality Improvement Act of 1998 have increased farmer compliance with the development and implementation of nutrient management plans, runoff from agricultural lands remains a concern. **House Bill 2 (passed)** generally implements the recommendations of the Agricultural Stewardship Commission. The bill modifies the existing county agricultural land preservation certification program to include Priority Preservation Areas; establishes an agricultural internship program; establishes a task force to study the tax structure related to farmers; establishes the intent of the General Assembly

that the Governor provide additional funding for several existing programs; and mandates funding for specified existing programs. For a more detailed discussion of the bill, see the subpart “Agriculture” under this Part K.

Bay Restoration Fund: Chapter 428 of 2004 established the Bay Restoration Fund within MDE. The main goal of the fund is to provide grants to owners of wastewater treatment plants (WWTPs) to install enhanced nutrient removal (ENR) technology in order to reduce nutrient pollution to the Chesapeake Bay. As a revenue source for the fund, Chapter 428 established a bay restoration fee on users of WWTPs, septic systems, and sewage holding tanks. After a deduction by billing authorities for administrative costs, fee revenue from WWTP users may be used to provide grants to WWTP owners for ENR upgrades, sewer infrastructure projects, and ENR operation and maintenance costs; the revenue may also be used for MDE’s administrative expenses. Priority for ENR funding is given to major WWTPs (those with a design capacity of at least 500,000 gallons per day (gpd)). Major facilities that are privately- or federally-owned, as well as minor facilities (those with a design capacity of less than 500,000 gpd), will be targeted for funding only after the 66 major publicly-owned WWTPs are upgraded.

Of the revenue collected from users of septic systems and sewage holding tanks, 60 percent must be deposited into a separate account within the fund to provide grants and loans for the costs attributable to upgrading a septic system to best available technology (BAT) for the removal of nitrogen, or for the cost difference between a conventional system and a system that uses BAT; these funds are also used to cover certain administrative costs within MDE. Priority must be given to failing septic systems and holding tanks within the Chesapeake and Atlantic Coastal Bays Critical Area. The remaining 40 percent must be transferred to the Maryland Department of Agriculture to provide financial assistance to farmers for cover crops.

Senate Bill 379/House Bill 1588 (both passed) repeal various provisions regarding sewage treatment plants in the Patuxent River Watershed and require specified WWTPs that discharge wastewater into the Patuxent River or any of its tributaries to upgrade to ENR by specified dates, unless a more advanced upgrade or upgrade schedule is required by State or federal law or regulation. The requirement to upgrade would be contingent on the availability of funding from the Bay Restoration Fund. The deadlines established in the bills are as follows:

- January 1, 2012, for a nonfederal publicly owned WWTP that has a design capacity of at least 500,000 gpd;
- January 1, 2016, for a nonfederal WWTP that has a design capacity of at least 50,000 gpd; and
- January 1, 2020, for a nonfederal WWTP that has a design capacity of less than 50,000 gpd.

The bills would cover 19 of the 25 WWTPs in the Patuxent River Watershed; one of these is already operating at ENR and thus would not need an upgrade. Current estimates of

upgrading the other 18 facilities total approximately \$128.55 million. Of this, an estimated \$63.00 million is already slated for funding.

House Bill 558 (passed) expands the allowable uses of the Septics Account within the Bay Restoration Fund to include the cost of repairing or replacing a failing septic system with a system that uses BAT for nitrogen removal or another wastewater treatment system. The bill also establishes new provisions governing priority for grants and loans from that account. Failing septic systems and sewage holding tanks in the Chesapeake and Atlantic Coastal Bays Critical Area will still have first priority. Failing systems that MDE determines are a threat to public health or water quality will have secondary priority. The bill also establishes additional provisions regarding priority for funding based on income levels and types of eligible costs. First priority will be given to owners of all levels of income for costs attributable to upgrading a septic system to BAT for nitrogen removal or the cost difference between a conventional septic system and a system that uses BAT for nitrogen removal. Secondary priority will be given to low-income owners, as defined by MDE, first, for costs to repair or replace a failing septic system with a system that uses BAT for nitrogen removal and, second, for another wastewater treatment system.

Federal Funding: In response to concerns regarding a proposed reduction in federal funding for certain bay restoration activities, **House Joint 7 (passed)** states that the President of the United States be urged to reconsider his budget proposal regarding the Chesapeake Bay and maintain current levels of federal funding for Chesapeake Bay cleanup and restoration efforts, such as sewage treatment plant upgrades, oyster restoration, and other existing and beneficial programs that are designed to improve the health of the bay.

Water and Sewerage Systems

Delinquent Sewer Accounts: Some municipalities have extended sewer lines outside their corporate limits. In cases where water service has not been extended to those same service areas, municipalities are not able to disconnect water service to those properties in order to force payment of delinquent sewer accounts. **Senate Bill 1036 (passed)** authorizes a private water company to disconnect water service provided to a property if a bill for sewerage service provided by a political subdivision is unpaid for 45 days after being sent. The bill also authorizes a private water company to apply a reasonable reconnection charge when it reconnects water service. Finally, the bill extends the period of time, from 30 to 45 days, after which a political subdivision may disconnect water service to a property if a bill for sewerage service is unpaid.

Benefit Assessments: **Senate Bill 1039 (passed)** authorizes the Dorchester County Sanitary Commission to set reasonable benefit assessments to pay the cost of capital improvements and repairs to a water or sewerage system.

Other Environmental Issues

Penalties

MDE has raised concerns regarding the falsification of certain permits, licenses, and certificates issued under some of its regulatory programs. In response, *Senate Bill 125 (passed)* establishes misdemeanor penalties for knowingly falsifying, altering, or causing another to falsify or alter any permit, license, or certificate issued or required under the Environment Article. The bill also establishes criminal penalties for knowingly possessing, displaying, or submitting to MDE or any other person any permit, license, or certificate that has been falsified or altered. The bill directs the Attorney General to take charge of, investigate, prosecute, and defend every case arising under the bill, including the recovery of any fines.

Judicial Review/Standing

In response to concerns regarding the existing contested case hearing process with respect to certain permits issued by MDE, *Senate Bill 589/House Bill 1429 (both failed)* would have repealed specified provisions relating to contested case hearings and would have established new provisions regarding judicial review of final decisions by MDE with respect to the issuance, renewal, or revision of the following permits: water appropriation and use, waterway construction, nontidal and tidal wetlands, mining, and gas and oil drilling. The bills would have expanded standing for judicial review and, as amended in both houses, would have eliminated the contested case hearing provisions with respect to these permits; instead, if a person had been entitled to judicial review under the bills' provisions, judicial review would have been available immediately.

Noise Standards

MDE establishes noise standards, sound level limits, and noise control rules and regulations as necessary to protect the public health, the general welfare, and property. MDE must enforce the noise control rules and regulations. To the extent possible, MDE must use the facilities and services of appropriate agencies of political subdivisions in its enforcement. In general, political subdivisions may not establish standards less stringent than MDE's. The fiscal 2006 and 2007 budgets did not include any funds for the Noise Control Program in MDE. The rationale behind eliminating funds for this program was that this issue is better handled by local jurisdictions. In an effort to assist local jurisdictions in this regard, *House Bill 109 (passed)* requires MDE, for a period of three years, to maintain at least two sound level meters and calibration of those meters. Upon request of a qualified county, MDE must make a sound level meter available to the county for the purpose of enforcement of the county's environmental noise standards.

Minority Participation in the Environment

Senate Bill 350/House Bill 412 (both passed) establish a Task Force on Minority Participation in the Environmental Community to evaluate and make recommendations regarding methods of improving minority participation in the environmental community. A final report of

its findings and recommendations is due to the Governor and the General Assembly by July 1, 2007.

Agriculture

Agricultural Stewardship

According to the Chesapeake Bay Program, in 2003, agriculture contributed 37 percent of Maryland's nitrogen loads, 42 percent of Maryland's phosphorus loads, and 70 percent of Maryland's sediment loads to the Chesapeake Bay. Other sources of nutrient and sediment pollution include point sources and urban/suburban lands. The General Assembly addressed the point source contribution with the creation of the Bay Restoration Fund in 2004. Agriculture is seen as one of the next greatest opportunities to improve bay water quality. Although recent changes to the Water Quality Improvement Act of 1998 have increased farmer compliance with the development and implementation of nutrient management plans, runoff from agricultural lands remains a concern.

During the 2005 interim, the Presiding Officers formed the Agricultural Stewardship Commission, a joint legislative commission, to examine and identify incentives to help farmers implement sound agricultural practices while helping to enhance the viability of farming in the State. In response to the commission's recommendations, the General Assembly passed *House Bill 2 (passed)*, the Agricultural Stewardship Act of 2006. In an effort to concentrate the acquisition of agricultural easements in priority preservation areas, which are large areas in which much of the land is engaged in agricultural production and is also rich in productive soils, the bill (1) authorizes counties to include a Priority Preservation Area (PPA) element in their local comprehensive plans; and (2) beginning in fiscal 2009, integrates the certification of PPA elements into the existing county agricultural land preservation certification program administered by the Maryland Department of Planning (MDP) and the Maryland Agricultural Land Preservation Foundation (MALPF). Beginning in fiscal 2009, counties with certified agricultural land preservation programs would be eligible for certain additional funds.

Other significant provisions of the bill include:

- mandating and recommending additional funding for several existing programs, as shown in **Exhibit K-2**;
- authorizing MALPF to provide grants to the Maryland Agricultural and Resource Based Industry Development Corporation (MARBIDCO) to facilitate the purchase of specified easements;
- establishing an agricultural and natural resources internship program within the University of Maryland, College Park (UMCP);
- establishing an Incentives for Agriculture Task Force to review, evaluate, and report on the overall State tax structure as it impacts agriculture and to identify any modifications

to the tax structure that would help farmers be better stewards of the land while maintaining economic viability; and

- requiring the Maryland Department of Agriculture (MDA) to review and report on the condition of MDA's agricultural marketing program and information technology infrastructure and requiring the Maryland Department of the Environment (MDE) and MDA to review and report on the status of the linked deposit low-interest loan program for agricultural conservation and water quality improvement.

Exhibit K-2
Description of Funding Provisions in House Bill 2
(\$ in Millions)

<u>Program (Agency)</u>	<u>Fiscal 2006 Legislative Appropriation</u>	<u>Fiscal 2007 Legislative Appropriation</u>	<u>Funding Provisions in HB 2</u>
<i>Mandatory</i>			
MARBIDCO (capitalization)	\$0	\$1.0	\$3.0 million for FY 2008; \$3.5 million for FY 2009; and \$4.0 million annually for FY 2010 – 2020
Soil Conservation Districts (MDA)	\$7.3	\$7.8	\$8.8 million for FY 2008; \$9.2 million for FY 2009; \$9.6 million for FY 2010; and \$10.0 million for FY 2011 and each fiscal year thereafter
<i>Discretionary</i>			
MD Agricultural Water Quality Cost Share (MDA)	\$5.5	\$4.6	\$35.0 million increase, phased in over a five-year period (\$7.0 million increase per year)
Cover Crop Program (MDA) ^a	\$4.0	\$8.3 (includes \$3.15 in GFs)	\$3.0 million increase in GFs annually until \$14 million total is appropriated annually for the program
Manure Transport Program (MDA) ^b	\$0.3	\$0.7	\$0.7 million annually in State funding
MALPF (MDA) ^c	\$42.2	\$89.6	\$20.0 million in GFs annually
MARBIDCO (rural land acquisition and easement)	\$0	\$0	Up to \$5.0 million annually for rural land acquisition and easement, including \$5.0 million per year for two consecutive fiscal years for the Next Generation Farmland Acquisition Program
MD Agricultural Education and Rural Development Assistance (MDA)	\$0	\$0.15	Provide at least \$0.15 million annually in GFs

<u>Program (Agency)</u>	<u>Fiscal 2006 Legislative Appropriation</u>	<u>Fiscal 2007 Legislative Appropriation</u>	<u>Funding Provisions in HB 2</u>
Agricultural Marketing/Rural Assistance (MDA)	\$1.4	\$1.5	In FY 2008, general fund appropriation for specified programs should equal or exceed that provided in FY 2007
Maryland Cooperative Extension (UMCP)	\$17.4	\$18.4 ^d	\$2 million increase in GFs over FY 2006 legislative appropriation for new staff and a soil lab
Linked Deposit Program (MDE)	\$3.0	\$3.0-4.0	Provide additional funds for FY 2008

^a The FY 2006 legislative appropriation includes a \$1.0 million GF deficiency appropriation.

^b Amounts shown do not include poultry company matching funds.

^c No GFs in FY 2006 or FY 2007 budgets; intended increases would be GFs.

^d FY 2007 legislative appropriation does not include any additional funds for new staff or a soil lab.

Other Nutrient Management Legislation

Commercial Fertilizers

In an effort to raise consumer awareness regarding nutrient pollution, the General Assembly passed *House Bill 222 (passed)*. Under the bill, any retail outlet distributing commercial fertilizer in bags weighing 50 pounds or more must prominently display a sign that advises customers that overuse of commercial fertilizers damages State waters, including the Chesapeake Bay. The sign must also indicate that customers concerned with protecting and restoring the health of the Chesapeake Bay and other State waters should, before using a commercial fertilizer, receive a chemical analysis of the soil to be fertilized from a soil-testing laboratory. MDA must develop and provide the signs to retailers.

Water Quality Cost Share Program

The Maryland Agricultural Water Quality Cost Share Program (MACS) was established in 1983 to help farmers pay the cost of installing pollution controls that protect water quality. MACS provides farmers with grants to cover up to 87.5 percent of the cost to install best management practices (BMPs) on their farms to control soil erosion, manage nutrients, and safeguard water quality in streams, rivers, and the Chesapeake Bay.

The cost of installing a BMP varies from farm to farm and project to project and depends on a number of factors. *House Bill 91 (Ch. 77)* increases from \$75,000 to \$100,000 the maximum dollar amount of State cost-sharing for water pollution control projects under MACS.

Maryland Agricultural Land Preservation Foundation

MALPF was created in 1977 to preserve productive agricultural land. Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for at least five years. Once land is placed within the agricultural preservation district, the owner is eligible to sell a developmental rights easement to MALPF. Subject to some limitations, once an easement has been sold, the property is protected from further development.

Several bills were introduced during the 2006 session relating to MALPF. *House Bill 769 (passed)* makes various changes to the provisions governing MALPF. The bill increases, from \$1 million to \$2 million, the maximum amount of funds available from MALPF for matching county funds. The bill also repeals the five-year time requirement that a landowner must agree to in order to be eligible for inclusion into an agricultural preservation district under MALPF. Instead, the bill provides that, in the ordinance that establishes a district, the county governing body must establish the length of time required for a district agreement. The bill provides that the time period of the district agreement must be from 3 to 10 years. The bill states that if a landowner rejects an offer during two consecutive years, the landowner may not reapply to sell an easement on the same land for the following two consecutive years. The bill also encourages counties to provide property tax credits for agricultural districts. In addition, the bill requires MALPF to report to the General Assembly concerning the elimination of agricultural districts.

House Bill 90 (Ch. 76) authorizes MALPF to approve a landowner's request to relocate the site of an existing dwelling to another location on a farm subject to a MALPF easement or district agreement. The following conditions must be met in order to be approved: (1) the new location may not interfere with any agricultural use; and (2) subject to the foundation's approval, the landowner must agree either to demolish the existing dwelling at the current location or permanently convert the existing dwelling to a use that is nonresidential and integral to the farm operation.

House Bill 460 (passed) authorizes MALPF to waive restrictions concerning the maximum size of released lots so that the maximum lot size is two acres if (1) MALPF receives a recommendation to allow a maximum lot size of more than one acre from the county agricultural preservation advisory board and from the planning and zoning authority of the jurisdiction where the land is situated; and (2) MALPF makes a determination that a lot size greater than one acre will not interfere significantly with the agricultural use of the land under the easement. According to MALPF, local agricultural land preservation staff have had difficulties creating workable lots within the existing requirements; the bill's changes are intended to ease this administrative burden.

Land Link Program

Although a number of programs within MDA work to keep agricultural land in active agricultural use, there is no existing State program to link older or retiring farmers with younger

or beginning farmers. *House Bill 180 (passed)* establishes a Maryland Agricultural Land Link Program within MDA. The bill sets forth three purposes of the program: (1) to assist older or retiring farmers in the lease or sale of their agricultural land to younger or beginning farmers; (2) to keep agricultural land in the State in active agricultural use; and (3) to reduce the amount of agricultural land that is lost each year to development.

If sufficient funds are provided in the annual budget, MDA must maintain an online database to serve as an electronic bulletin board for the voluntary posting of information regarding agricultural land available for use, lease, or sale and internship, apprenticeship, employment, and business opportunities for farmers. If funds are available, MDA must also promote the lease or sale of agricultural land from retiring farmers to beginning farmers.

Animals

Horses – Transport

House Bill 495 (passed) prohibits a person from transporting a horse in a vehicle that is not designed and constructed in a manner that protects the health and well-being of the horse being transported. Vehicles used to transport horses must meet several minimum logistical and structural requirements. The bill provides that violators are subject to a civil penalty – \$500 for a first offense and \$1,000 for each subsequent violation – applicable to each horse being transported.

Maryland Horse Industry Board

The Maryland Horse Industry Board (MHIB) was created in 1998 to replace the State Board of Inspection of Horse Riding Stables, which had licensed and inspected horse stables in the State since 1968. The board has a broad mission related to serving as an information resource about, supporting research on, and promoting the equine industry in Maryland. Funds collected from the equine feed assessment are used by MHIB for education, research, and promotional materials and activities intended to benefit the Maryland equine industry. MHIB is subject to the Maryland Program Evaluation Act, also known as the “sunset law,” which provides a system of periodic legislative review of the regulatory, licensing, and other governmental activities of various units of State government. The termination date for MHIB is July 1, 2006.

House Bill 333 (passed) extends the termination date for MHIB from July 1, 2006, to July 1, 2016, and requires another sunset evaluation on or before July 1, 2015. In addition to extending MHIB’s termination date by 10 years, the bill changes the annual inspection schedule so that a facility must be inspected at least once every two years. Licenses will continue to be issued or renewed on an annual basis. The bill maintains the equine feed assessment as a revenue source for MHIB by repealing its June 30, 2007, termination date. In addition, the bill requires MHIB to report to certain legislative committees by December 31, 2006, on the administrative penalties authorized under Chapter 151 of 2004, and requires MHIB to report to certain legislative committees by October 1, 2006, on the implementation of the

recommendations made by the Department of Legislative Services in the October 2004 sunset evaluation report.

Agricultural Structures

Agritourism

Agritourism is a growing industry in Maryland. Incorporating agritourism into farming operations promotes agricultural education and also generates significant revenue for farmers. *Senate Bill 485/House Bill 1106 (both passed)* exempt, in Calvert, Charles, Dorchester, Frederick, Harford, Prince George's, St. Mary's, Somerset, and Talbot counties, the construction, alteration, or modification of agricultural buildings for which agritourism is an intended subordinate use from the Maryland Building Performance Standards. While the bill provides an exemption from specified standards, an agricultural building used for agritourism must be structurally sound and in good repair. Additionally, the bill encourages the development of an educational program that focuses on liability issues for farmers that have farms engaged in agritourism.

Preservation of Historic Structures

Although the Maryland Historical Trust administers a Historic Preservation Grant Fund to make grants that restore and preserve historic structures throughout the State, there is no existing State fund dedicated to preserving only agricultural buildings. *House Bill 699 (passed)* creates a new Barn Preservation Fund within MDP to provide grants to preserve historic barns and agricultural structures.

