**SENATE BILL 640**

Unofficial Copy 2004 Regular Session
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By: **Senator Astle (Department of Natural Resources Special Funds Workgroup)**
Introduced and read first time: February 6, 2004
Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 9, 2004

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CHAPTER 472

AN ACT concerning

**Natural Resources - Special Funds and Accounts - Administrative Costs**

FOR the purpose of authorizing the Secretary of Natural Resources to use money in certain funds or accounts for certain administrative expenses based on a generally accepted methodology for determining indirect costs; requiring the Secretary to submit any changes to the indirect costs methodology for review and comment to the House Appropriations Committee and the Senate Budget and Taxation Committee within a certain time period; providing for the administrative costs of certain funds and accounts administered by the Department of Natural Resources; making certain stylistic changes; and generally relating to special funds and accounts administered by the Department of Natural Resources.

BY repealing and reenacting, with amendments,
Article - Natural Resources
Section 1-103(b), 1-703, 3-302(c), 4-208, 4-209, 5-103(e), 5-209(b), 5-212, 5-212.1, 5-215(b), 5-307, 5-908, 5-908.1, 5-909, 5-1505, 8-710.2, 8-723, 8-729, 8-1004, 10-209, and 10-301(n)
Annotated Code of Maryland
(2000 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, without amendments,
Article - Natural Resources
Section 1-702(a), 3-302(a), 5-103(d), 5-215(a), 5-1501, and 8-1005(a)(1)
Annotated Code of Maryland
(2000 Replacement Volume and 2003 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Natural Resources**

1-103.

(b) (1) The Secretary is responsible for the budget of his office and for the budgets of the units within the Department.

(2) (I) UNLESS OTHERWISE AUTHORIZED BY STATUTE, THE SECRETARY MAY USE MONEY IN A FUND OR ACCOUNT CREATED UNDER THIS ARTICLE FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATING TO THE PURPOSES OF THE FUND OR ACCOUNT UP TO AN AMOUNT CALCULATED UNDER A GENERALLY ACCEPTED METHODOLOGY FOR DETERMINING INDIRECT COSTS.

(II) THE SECRETARY SHALL SUBMIT ANY CHANGES TO THE METHODOLOGY USED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR REVIEW AND COMMENT TO THE HOUSE APPROPRIATIONS COMMITTEE AND THE SENATE BUDGET AND TAXATION COMMITTEE WITHIN 45 DAYS BEFORE IMPLEMENTING THE METHODOLOGY.

1-702.

(a) There is a State Chesapeake Bay and Endangered Species Fund.

1-703.

(a) (1) The Secretary may distribute not more than 5% of the net proceeds of the Fund to a promotional account to be used to promote further donations to the Fund.

(2) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS TITLE.

(b) After making the [distribution] DISTRIBUTIONS allowed under subsection (a) of this section, the Secretary shall distribute the remainder of the net proceeds of the Fund as follows:

(1) 50% to the Chesapeake Bay Trust established under § 8-1901 of this article, to be used by the Trust only as provided in § 1-704 of this subtitle; and

(2) 50% to an endangered species account, to be used only to conserve nongame, threatened and endangered species as provided in § 1-705 of this subtitle.

<u>3-302.</u>

<u>(a) There is an Environmental Trust Fund. For the purpose of this subtitle, there is established as an added cost of electricity distributed to retail electric customers within the State, an environmental surcharge per kilowatt hour of electric</u>

energy distributed in the State to be paid by any electric company as defined in § 1-101 of the Public Utility Companies Article. The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy distributed to retail electric customers within the State and shall authorize the electric companies to add the full amount of the surcharge to retail electric customers' bills. To the extent that the surcharge is not collected from retail electric customers, the surcharge shall be deemed a cost of distribution and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes. Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.

(c) (1) The Secretary shall administer the Fund. The Fund is subject to the provisions for financial management and budgeting established by the Department of Budget and Management. [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE moneys in the Fund shall be used to carry out the provisions of this subtitle as provided for in the budget, except that 10% of all moneys accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used to supplement funds necessary to carry out the duties of the People's Counsel of the Public Service Commission. The People's Counsel shall submit an annual budget of necessary supplemental funds to the Department to be incorporated in the Department's budget. For the purposes of this subtitle, the Secretary, in consultation with the Director of the Maryland Energy Administration, may execute appropriate contracts with any State or federal agency, research organization, industry, or academic institution to conduct the necessary research, construct or acquire, or both, real property including physical predictive models, laboratories, buildings, land, and appurtenances, or support the technological development of extraordinary systems related to power plants designed to minimize environmental impact. The Secretary may utilize available expertise in any other State unit in the development, execution, and management of contracts and agreements on projects relating to their areas of prime responsibility.

(2) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

4-208.

(A) There is a State Fisheries Management and Protection Fund in the Department.

(B) Any money received from any fish and fisheries license, stamp, permit, or application fee as provided in this title, unless otherwise provided shall be [credited]:

(1) CREDITED to the Fund; and

(2) [used] USED only for [the]:

(I) THE scientific investigation, protection, propagation, and management of nontidal finfish; AND

(II) ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

4-209.

(a) There is a Fisheries Research and Development Fund in the Department.

(b) Any money the State Comptroller receives under the provisions of this title from commercial licenses, permits, and service fees, taxes, and royalties paid to the State for oyster shells and clam shells removed from the bottom beneath the tidal waters of the State, from the sale of seed oysters under § 4-1103 of this title, or any source, together with any fine or forfeiture collected under § 4-1202 of this title, shall be credited to the Fisheries Research and Development Fund.

(c) Subject to the limitations described in §§ 4-701(i), 4-1020, 4-1028 and 4-1035, the Fund shall be used for [replenishing]:

(1) REPLENISHING fisheries resources[,] AND related research[, and to match];

(2) MATCHING federal funds available for research and development of fisheries resources; AND

(3) ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-103.

(d) (1) If the constructing agency is unable to locate a sufficient amount of State or other publicly owned land or available forest mitigation bank credits to comply with the requirements of subsection (c) of this section, the constructing agency shall contribute money, at the rate of 10 cents per square foot of the area of required planting, to a special fund to be maintained in the Department and to be known as the Reforestation Fund.

(2) There is a Reforestation Fund in the Department.

(e) (1) Money deposited in the Reforestation Fund:

(i) Shall remain in the Fund until appropriated and spent; and

(ii) May not revert to the General Fund.

(2) (i) 1. Except as provided in item 2 of this subparagraph AND SUBPARAGRAPH (III) OF THIS PARAGRAPH, the Department shall use the Reforestation Fund solely to plant trees on State or other publicly owned lands located in the county and watershed in which construction projects giving rise to Fund contributions are located.

2. If reforestation cannot be reasonably accomplished in the county and watershed in which the construction activity is located, then the Department may use the Reforestation Fund to plant trees on State or other publicly owned lands located in the county or in the watershed in the State in which the

construction activity is located, or to purchase credits in, establish, or maintain a forest mitigation bank in the county or watershed in which the construction activity is located in accordance with regulations of the Department. The Reforestation Fund may not be used to finance administrative activities associated with a mitigation bank and any credits created by the Reforestation Fund may not be sold to compensate for additional forest impacts.

(ii) 1. The Department shall accomplish the reforestation for which money is deposited in the Reforestation Fund within 1 year or 2 growing seasons after project completion, as appropriate, after receipt of the money.

2. Money deposited in the Reforestation Fund under subsection (d) of this section shall remain in the Fund for a period of 1 year or 2 growing seasons, and at the end of that time period, any portion that is not used to meet the reforestation requirements shall be returned to the constructing agency.

(III) MONEYS IN THE REFORESTATION FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-209.

(b) The Secretary shall promulgate rules and regulations regarding equipment standards and the operation of off-road vehicles by type, as defined in § 10-410(d) of this article, on property owned or controlled by the Department. He shall conduct appropriate studies and, by January 1, 1975 he shall designate and identify areas for use by the general public for operation of motorcycles, snowmobiles and other off-road vehicles on that property exclusive of wildlife management areas or State fisheries management areas to the extent such use is compatible with the character and established uses of property controlled by the Department. Prior to March 31, 1976, every off-road vehicle to be used on Department of Natural Resources lands shall be registered and provided suitable identification by the Department of Natural Resources, which shall charge an annual uniform fee for all registrants, revenues derived from which shall be used to acquire and maintain areas for off-road vehicle use by the general public. REVENUES MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE. Any property to be acquired or designated for off-road vehicle use shall be subject to a public hearing held in the county or counties wherein the property is situated. However, no off-road vehicle may be permitted where its operation will damage the wildland character of the property or where the noise from its operation will be audible at or interfere with the use of a picnic or camping area open to public use.

5-212.

(A) There is a Forest or Park Reserve Fund in the Department.

(B) Any money obtained from the State forest reserves, State parks, scenic reserves, parkways, historic monuments, and recreation areas, together with any fine collected under § 5-1302 of this title, shall be paid into the Fund.

(C) (1) (I) Each county in which any State forest or park reserve is located shall be paid annually out of the Fund 15 percent of the revenue derived from the State forest or park reserve located in that county.

(II) Each county in which the forest or park reserve comprises 10 percent or more of the total land area of that county shall be paid annually out of the Fund a sum equal to 25 percent of the revenues derived from the State forest or park reserve located in that county.

(2) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-212.1.

(a) (1) In this section, "concession operations" means activities within a State forest or park that:

(i) Raise revenue;

(ii) Function under a separate budget system; and

(iii) Supplement the operation of the facility where it is located.

(2) "Concession operations" includes:

(i) Food concessions;

(ii) Boat rentals;

(iii) Gift shops;

(iv) Marine sales;

(v) Snack bars; and

(vi) Camp stores.

(b) There is a Forest and Park Concession Account in the Department.

(c) Any money derived from concession operations shall be paid into the Forest and Park Concession Account.

(d) Each county in which any State forest or park is located shall be paid annually out of the Forest and Park Concession Account:

(1) If the State forest or park reserve comprises less than 10% of the total land area of the county, a sum equal to 15% of the net revenue derived from concession operations within a State forest or park located in that county; and

(2) If the State forest or park reserve comprises 10% or more of the total land area of the county, a sum equal to 25% of the net revenue derived from concession operations within a State forest or park located in that county.

(e) Except as provided in subsection (d) of this section, the Forest and Park Concession Account shall be used only for [the]:

(1) [Maintenance] THE MAINTENANCE and operation of concession operations; [and]

(2) [Function] THE FUNCTION of State forests and parks to the extent of the projected balance of the Account from the prior fiscal year; AND

(3) ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(f) The budget submitted by the Governor to the General Assembly shall include the revenues and expenditures of the Forest and Park Concession Account in the same detail as other special fund accounts administered by the Department.

5-215.

(a) There is a Deep Creek Lake Recreation Maintenance and Management Fund in the Department for the maintenance and management of the land, recreational facilities, and services that are related to Deep Creek Lake in Garrett County.

(b) (1) Except as provided in [paragraph] PARAGRAPHS (2) AND (3) of this subsection, the Department shall pay all fees collected for boat launching at Deep Creek Lake State Park, and all funds collected from lake and buffer use permits, contracts, grants, and gifts as a result of the Deep Creek Lake management program, into the Deep Creek Lake Recreation Maintenance and Management Fund.

(2) At the end of each quarter of the fiscal year, the Department shall pay 25% of the total revenue collected during the quarter under paragraph (1) of this subsection to the Board of County Commissioners of Garrett County.

(3) MONEYS IN THE DEEP CREEK LAKE RECREATION MAINTENANCE AND MANAGEMENT FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-307.

(a) There is a special fund known as the Woodland Incentives Fund.

(b) The Woodland Incentives Fund shall consist of:

(1) As provided in § 13-306 of the Tax - Property Article, up to $200,000 annually of the proceeds of the tax imposed by § 13-302 of the Tax - Property Article

that are attributable to the taxation of instruments of writing that transfer title to parcels of land that are entirely woodland; and

(2) Revenues collected by the Department from the payment of charges imposed for Department assistance in implementation of an approved practice.

(c) The Department shall use the Woodland Incentives Fund [to]:

(1) TO help fund the Woodland Incentives Program and the cost-share assistance provided for in this subtitle; AND

(2) FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(d) Any unexpended funds remaining in the Woodland Incentives Fund at the end of the fiscal year may not revert to the General Fund of the State.

5-908.

(A) There is a Fair Hill Improvement Fund in the Department, to be used for the operation, maintenance, development, and improvement of the Fair Hill facilities at Fair Hill, Maryland.

(B) (1) Any money obtained by the Department from Fair Hill shall be credited to the Fair Hill Improvement Fund.

(2) MONEYS IN THE FAIR HILL IMPROVEMENT FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-908.1.

(A) There is a Somers Cove Marina Improvement Fund in the Department, to be used for the operation, maintenance, development, and improvement of the Somers Cove Marina facilities in Crisfield, Maryland.

(B) (1) Any money obtained by the Department from Somers Cove Marina shall be credited to the Somers Cove Marina Improvement Fund.

(2) MONEYS IN THE SOMERS COVE MARINA IMPROVEMENT FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-909.

(A) The Natural Resources Property Maintenance Fund is created within the Department to be used for the maintenance, repair, and management of property owned by the Department.

(B) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

5-1501.

There is a Heritage Conservation Fund in the Department.

5-1505.

(A) Appropriations for the Heritage Conservation Fund may be provided from:

(1) Special bond authorization;

(2) General funds of the State; and

(3) Other sources.

(B) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS TITLE.

8-710.2.

(a) The Department may design temporary certificates of boat number and furnish them to any licensed boat dealer who:

(1) Applies for at least 25 of the certificates on a form that the Administration requires; and

(2) Submits the fee, not to exceed $1, set by the Department for each certificate with the application.

(b) (1) For any vessel that is to be used principally in Maryland, a licensed dealer may issue 1 temporary certificate of boat number to the person who buys the vessel from the dealer.

(2) A dealer may not issue a temporary certificate of boat number unless:

(i) The taxes and other fees as required by this subtitle are paid to the dealer; and

(ii) An application for Maryland certificate of boat title and number or a purchaser's application for transfer of a Maryland certificate of boat title is completed and signed by the purchaser of the vessel.

(3) (i) Before issuing a temporary certificate of boat number, the dealer shall complete the certificate by writing in the information required by the Department.

(ii) A temporary certificate of boat number is not valid unless the dealer completes the certificate as required by this subsection.

(4) The dealer may not issue more than 1 temporary certificate for any vessel. If the temporary certificate is lost, stolen, or destroyed, the owner must apply to the Department for a certificate of boat number.

(5) Within 30 days after a dealer issues a temporary certificate of boat number, the dealer shall mail a copy of the temporary certificate to the Department.

(c) A temporary certificate of boat number expires when the first of either of the following occurs:

(1) A certificate of boat number for the vessel is issued by the Department; or

(2) 90 days expire from the date the temporary certificate was issued by the dealer.

(d) (1) (I) There is a special fund called the Boat Dealer Assurance Fund.

(II) All fees collected by the Department under this section shall be credited to the Fund.

(2) The Fund shall be used exclusively as provided in this subsection [to]:

(I) TO pay title taxes and fees that boat dealers and manufacturers have failed to forward to the Department; AND

(II) FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(3) A payment may be made under this section only if:

(i) A member of the public demonstrates that title taxes and application fees were paid to a dealer and a manufacturer; and

(ii) The dealer or manufacturer has failed to forward the taxes and fees to the Department as required by this subtitle.

(4) Attainments to the Fund in excess of an accumulated balance of $100,000 may be expended by the Department for any purpose authorized under § 8-723 of this subtitle. However, any funds not expended pursuant to this subsection or § 8-723 of this subtitle:

(i) Shall remain in the Fund; and

(ii) May not revert to the General Fund.

(e) In addition to any other sanction under this subtitle, on failure of a dealer to forward to the Department taxes and fees within 30 days of collection, the Department may declare forfeited the bond or other security filed by the dealer under this subtitle. The Department shall use funds collected through the forfeiture to reimburse the Boat Dealer Assurance Fund for the expense of paying title taxes and fees in accordance with this section.

(f) The Department may require the return of all temporary certificates from any dealer who has not complied with any provision of this subtitle.

8-723.

(a) Any fee and other revenue the Department collects under authority of this subtitle, and any other available income, shall be deposited in the State Treasury and used exclusively for the administration, functions, and objectives of this subtitle. These funds are credited to the Department.

(b) (1) The Department may use the funds credited to its accounts to purchase, rent, and operate any equipment necessary to accomplish the purposes of this subtitle, within budgetary limitations.

(2) THE FUNDS MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(c) Subject to available income, the Department may employ necessary personnel subject to the provisions of the State Personnel and Pensions Article.

(d) Within the limits of funds available, the Department may enter into any agreement with the federal government, any municipality or other political subdivision of the State, or any private agency to share the cost of any development, construction, or improvement of waterways or of facilities determined to have beneficial value to the boating public.

8-729.

(a) Unless excepted by § 8-728 of this subtitle, a security interest in a vessel is not valid against creditors of the owner or subsequent transferees or secured parties of the vessel unless perfected as provided under §§ 8-729 through 8-732 of this subtitle.

(b) A security interest is perfected by the delivery to the Department of the existing certificate of title, if any, and an application for certificate of title on a form provided or approved by the Department containing information regarding the security interest, and upon payment of a filing fee of $15. Four dollars of this filing fee shall be treated as described in § 8-723 of this subtitle. The security interest is perfected at the time of the delivery and payment.

(c) If a vessel is already subject to a security interest when the vessel is brought into the State, the validity of the security interest in the State is to be determined by the law (including the conflict of law rules) of the jurisdiction where the vessel was when the security interest attached, subject to the following:

(1) If the parties to the transaction understood at the time the security interest attached that the vessel would be kept in the State, and the vessel was brought into the State within 30 days after the security interest attached for purposes other than transportation through the State, the validity of the security interest in the State is to be determined by the law of the State.

(2) If the security interest was perfected already under the laws of the jurisdiction where the vessel was when the security interest attached and before being brought into the State:

(i) If the name of the secured party is shown on an existing certificate of title issued by that jurisdiction, the security interest continues perfected in the State.

(ii) If the name of the secured party is not shown on an existing certificate of title issued by that jurisdiction, and if the law of that jurisdiction does not provide for certificates of title disclosing security interests, the security interest continues perfected in the State for 4 months and, after that time, if within the 4-month period the security interest is perfected in the State. This security interest may also be perfected in the State after the expiration of the 4-month period, in which case perfection dates from the time of perfection in the State.

(iii) If the security interest was not perfected under the law of the jurisdiction in which the vessel was when the security interest attached before being brought into the State, the security interest may be perfected in the State; in which case perfection dates from the time of perfection in the State.

(d) (1) Five dollars of this filing fee, which is in lieu of a recordation tax imposed under Title 12 of the Tax - Property Article, shall be deposited in a special fund which is created. These moneys shall be used for the benefit of the counties of the State, and Baltimore City, and distribution of this fund shall be made to the several counties and Baltimore City annually on the basis of the residence of the purchasers of the vessels.

(2) MONEYS IN THE SPECIAL FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(e) Six dollars of every fee received under the provisions of § 8-730 of this subtitle shall be deposited in the General Fund.

8-1004.

(a) The operating budget of the Department may contain an appropriation from the Fund sufficient to provide technical and administrative services required to implement §§ 8-1002 and 8-1003 of this subtitle, including but not limited to:

(1) Review and evaluation of requests for assistance in shore erosion control;

(2) Supervision over construction of approved projects; and

(3) Inspection of completed projects to insure adequate maintenance.

(b) Costs of the services enumerated in this section:

(1) Shall be reimbursed to the Department by the property owner; and

(2) May not be considered part of the construction cost of the project.

(C) MONEYS IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

8-1005.

(a) (1) There is a "Shore Erosion Control Construction Loan Fund". The Department shall administer the Fund to provide interest-free loans or grants to persons, municipalities, or counties for design and construction of shore erosion control projects. The Fund shall be maintained by:

(i) Repayments of principal on loans made from the Fund, with the repayments made through a benefit charge the State levies on privately owned property benefited by shore erosion control projects. The benefit charge shall compensate the State for net project construction cost. The benefit charge shall be levied at a uniform rate over a period not exceeding 25 years;

(ii) Repayment of administrative costs under § 8-1004 of this subtitle; and

(iii) Annual appropriation of funds to restore the Fund to a level sufficient to carry out an effective shore erosion control construction loan program during the succeeding year.

10-209.

(A) There is a State Wildlife Management and Protection Fund in the Department.

(B) Any money accruing to the Fund from any license, stamp, application, or permit fee provided in this title shall be credited, unless otherwise provided, to this Fund and used only for [the]:

(1) THE scientific investigation, protection, propagation, and management of wildlife; AND

(2) ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

10-301.

(n) (1) There is an Upland Wildlife Habitat Fund in the Department.

(2) The Fund consists of:

(i) Voluntary contributions made to the Upland Wildlife Habitat Fund at the time of purchase of a hunting license under this section; and

(ii) Any other donations made to the Fund.

(3) The Secretary shall administer the Fund.

(4) The Fund may be used only as provided in this subsection.

(5) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(6) The Fund shall be invested and reinvested in the same manner as other State funds. Any investment earnings of the Fund may not be transferred or revert back to the General Fund, but shall remain in the Fund to be used for purposes specified in this subsection.

(7) The Secretary shall use the Fund to:

(i) Provide cost-share assistance to landowners for planting upland wildlife habitat;

(ii) Provide matching funds to acquire grant funding for upland wildlife habitat programs;

(iii) Hire contractual staff to implement upland wildlife habitat programs in the State; [and]

(iv) Promote the Upland Wildlife Habitat Fund and upland wildlife habitat programs; AND

(V) COVER ADMINISTRATIVE COSTS CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(8) The Secretary may prioritize the duties under paragraph (7) of this subsection to maximize the effectiveness of upland wildlife habitat programs.

(9) A designated person who sells hunting licenses under this section and who also collects donations for the Upland Wildlife Habitat Fund may retain as compensation 10% of each donation the person receives.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2004.