

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 868 (Delegate Montgomery, *et al.*)
Environmental Matters

Forest or Park Reserve Fund - Use of Revenues from Timber Harvesting

This bill provides that after payments have been made to counties from the State Forest or Park Reserve Fund pursuant to current law, the Department of Natural Resources (DNR) must use an amount of money equivalent to the revenue derived from timber harvesting in State forests to the fund, less any revenue derived from timber harvesting that has been paid out to the counties, for the following purposes: (1) inventory, protection, and restoration of forest interior species and habitats; (2) invasive species eradication; and (3) the acquisition and protection of forests that DNR shall make ineligible for timber harvesting.

Fiscal Summary

State Effect: Although the bill has no net impact on special fund finances, by limiting DNR's use of revenues from timber harvesting to specified activities, the bill will have a significant operational impact on DNR. In essence, the bill diverts approximately \$1.2 million in FY 2005 (due to the bill's October 1, 2004 effective date) from the operations of State forests and parks to the activities specified in the bill. DNR advises that this will reduce its ability to hire seasonal labor to assist in the operation of State forests and parks. In future years, the bill would divert an estimated \$1.6 million in FY 2006, \$1.7 million in FY 2007 and FY 2008, and an estimated \$1.8 million in FY 2009. Future year estimates are annualized and reflect anticipated increases in timber harvesting revenues.

Local Effect: None. County payments from the fund would not be affected.

Small Business Effect: None.

Analysis

Current Law: All revenues generated from State forests and parks are paid into the State Forest or Park Reserve Fund. Each county in which any State forest or park reserve is located annually receives 15% of the revenue derived from the reserve located in that county. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the revenue derived from the reserve.

Background: Under the current 10-year silviculture plan governing the forests where most timber harvesting takes place (Pocomoke State Forest on the lower Eastern Shore, Savage River State Forest and Potomac/Garrett State Forest in Garrett County, and Green Ridge State Forest in Allegany County), about 50% of the acreage is identified as areas where timber management activities, including harvesting, may not occur. According to DNR, those forests encompass about 128,000 acres. Over the last five years, on average 818 acres per year, or 0.6% of the total land area, have had some type of timber management conducted. According to DNR, timber harvesting generates about \$2 million annually, which is paid into the State Forest or Park Reserve Fund. After payments to counties, DNR uses those revenues to support the operation of State forests and parks.

Additional Information

Prior Introductions: None.

Cross File: SB 789 (Senator Pinsky) – Rules.

Information Source(s): Department of Natural Resources, Department of Legislative Services

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