

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 796

(Delegates Walker and Vaughn)

Environmental Matters

Education, Health, and Environmental Affairs

Agriculture - Emerald Ash Borer Grant Fund

This bill creates an Emerald Ash Borer Grant Fund to help local governments, businesses, and organizations purchase authorized equipment to remove, dispose of, and replace trees infested by the emerald ash borer that are located within emerald ash borer quarantine areas. The Secretary of Agriculture is authorized to administer the fund and must establish grant application procedures. Grants may not exceed the amount a specified entity has appropriated to finance purchases of equipment to remove, dispose of, and replace infested trees in specified areas.

Fiscal Summary

State Effect: General and special fund expenditures increase by \$100,000 in FY 2010 for emerald ash borer grant funds. Future year expenditures remain constant. Special fund revenues increase by \$100,000 in FY 2010 for emerald ash borer grant funds. Future year revenues remain constant.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
GF Expenditure	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SF Expenditure	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Net Effect	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: To the extent they receive grant funds, local governments directly benefit. To the extent the grant program relieves or supplements existing emerald ash borer eradication efforts undertaken with county funding, local governments benefit indirectly.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Authorized equipment” is any equipment necessary for the management of forest land, including equipment for construction and staging of marshaling areas, planting trees, and removal of trees; vehicles capable of transporting harvested trees; wood chippers; materials required to administer approved products to ash trees planted in quarantined areas; and any other equipment determined by the Secretary of Agriculture.

Unspent and unencumbered funds revert to the general fund at the end of any fiscal year. The fund may consist of money appropriated in the State budget for the fund; any investment earnings of the fund; and any other money from any other source accepted for the benefit of the fund.

Current Law: The Secretary of Agriculture is required to annually inspect the health and general condition of the horticultural and agricultural interests in each county of the State. In order to control, retard, or eradicate dangerously injurious plant pests, the Secretary of Agriculture is authorized to establish quarantines of infested or infected areas, regulate the movement of materials likely to transfer the infestation, and issue other specified directives and regulations.

Background: The emerald ash borer is an exotic invasive pest responsible for the death of more than 25 million ash trees in Michigan, Indiana, and Ohio, and it currently threatens Maryland’s ash trees. The discovery of this federally regulated pest in 2006 in an area where it was believed to have been eradicated prompted the issuance of a quarantine over all of Prince George’s County, according to federal protocols. The quarantine was extended into Charles County when emerald ash borer was detected there in 2008. This quarantine prohibits the movement of any regulated article out of the county, as well as movement of regulated articles from infested to noninfested areas of the county. The regulated articles include all hardwood firewood; all ash trees, including living, dead, cut, or fallen; as well as any ash chips or bark larger than one inch in diameter.

Removal and destruction of all ash trees in defined areas is the only way to eradicate the emerald ash borer. From 2006 through early 2008, more than 35,000 ash trees were removed from 16,000 acres in southern Prince George’s County. MDA and the Department of Natural Resources (DNR) have an eradication plan and are working with the U.S. Department of Agriculture to delimit and abate the State’s emerald ash borer infestation.

State Fiscal Effect: While MDA advises a new position is required to administer the fund, Legislative Services believes the bill's administrative requirements can be handled with existing budgeted resources.

The bill authorizes funds to be used to purchase equipment that may be quite expensive. For example, tub grinders to chip trees and bucket trucks to reach high branches cost approximately \$100,000 each. Examples of less expensive equipment authorized by the bill include commercial chainsaws (\$500 to \$1,000 each) and tree injectors (\$1,000 each).

General fund expenditures increase by \$100,000 in fiscal 2010 to provide emerald ash borer grants to local governments, businesses, and organizations. This estimate assumes at least \$100,000 in general funds is required annually to capitalize the grant fund – reflecting the minimum amount for a viable fund – and any investment earnings are not significant.

Small Business Effect: Logging and wood chipping businesses in areas affected by the emerald ash borer may benefit from the grant program, particularly since the grants are for equipment. Also, Maryland's greenhouse and nursery industry, which accounted for more than \$360 million in cash receipts in 2004, may benefit from additional efforts to control the emerald ash borer.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Budget and Management, Department of Natural Resources, Department of Legislative Services

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