

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 477 (Delegate Beitzel)
 Environment and Transportation Education, Health, and Environmental Affairs

Natural Resources - Protection and Restoration of State-Owned Lakes

This bill establishes a State Lakes Protection and Restoration Fund, administered by the Secretary of Natural Resources, to protect and restore State-owned lakes. The fund consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Any interest earnings of the fund are credited to the fund. Money expended from the fund is supplemental to, and not intended to take the place of, funding that would otherwise be appropriated for the protection or restoration of State-owned lakes. The Department of Natural Resources (DNR) must develop (1) a working budget for the funding and (2) in coordination with local governments, organizations, and citizens, an annual work plan that prioritizes and details projects that will receive funding.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$200,000 annually beginning in FY 2018 to capitalize the fund. Special fund revenues and expenditures increase correspondingly, reflecting the fund’s receipt of the general fund appropriations and corresponding expenditures for the protection and restoration of State-owned lakes.

| (in dollars) | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|----------------|-------------|-------------|-------------|-------------|-------------|
| SF Revenue | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| GF Expenditure | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| SF Expenditure | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Net Effect | (\$200,000) | (\$200,000) | (\$200,000) | (\$200,000) | (\$200,000) |

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: There is not currently a special fund dedicated exclusively to the protection and restoration of State-owned lakes. The Waterway Improvement Fund (WIF) is similar in nature to the fund being proposed by the bill, but with a broader and somewhat different focus. WIF finances projects and activities that promote, develop, and maintain Maryland's waterways for the benefit of the boating public, which can include clearing debris, aquatic vegetation, and obstruction from waters of the State and dredging ponds, lakes, and reservoirs owned by the State. Vessel excise tax revenues are the major source of funding for WIF.

There are 16 State-owned lakes, with Deep Creek Lake being the largest. DNR devotes various resources to Deep Creek Lake, including (1) the Maryland Park Service's management of the lake; (2) water quality and submerged aquatic vegetation monitoring conducted by the Resource Assessment Service; and (3) fish monitoring and stocking conducted by the Fisheries Service.

State Fiscal Effect: General fund expenditures increase by at least \$200,000 annually beginning in fiscal 2018 to capitalize the new special fund. The bill does not specify a funding level for the fund. However, for the purposes of this fiscal and policy note, it is assumed that \$200,000 annually is the minimum amount of funding that is needed to fulfill the purpose of the fund. That level of funding can support efforts such as education and outreach as well as steward programs to inspect watercraft prior to entering or leaving lakes in order to prevent the spread of invasive species. Other efforts, such as dredging, would require more significant amounts of funding and, therefore, a greater level of capitalization from the general fund.

DNR advises that expenditures from the fund of less than \$1 million likely can be handled with existing staff. If more than \$1 million is provided for the fund, DNR likely needs additional staff to administer the fund.

Special fund revenues and expenditures increase correspondingly each fiscal year, reflecting receipt of the general funds and the expenditure of those funds for the protection and restoration of State-owned lakes. This analysis assumes that all available funding is spent each fiscal year. It also does not reflect any interest earnings of the fund that are credited to the fund.

Small Business Effect: Small businesses may benefit from contracts for the protection and restoration efforts supported by the fund.

Additional Information

Prior Introductions: None.

Cross File: SB 396 (Senator Edwards) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Natural Resources; Baltimore City; Caroline, Montgomery, and Prince George's counties; cities of Bowie and Takoma Park; Department of Legislative Services

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