

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 541

(Senator Elfreth, *et al.*)

Budget and Taxation and Education, Health,  
 and Environmental Affairs

Environment and Transportation and  
 Appropriations

**Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland Outdoors Act)**

This bill makes various changes to State law affecting the Maryland Park Service (MPS), parks and forests in the State, land conservation, and State lakes, relating to (1) funding for parks, land conservation, State lakes, and forest-related purposes; (2) parks staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. **The bill takes effect June 1, 2022.**

**Fiscal Summary**

**State Effect:** State finances are significantly affected, as summarized in the table below and discussed and shown in more detail in the Analysis section. No net effect in FY 2022. **This bill establishes and/or increases mandated appropriations beginning in FY 2024 and repeals mandated appropriations in FY 2024 through 2027 and in FY 2030 and 2031.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
GF Revenue	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
SF Revenue	(\$9.5)	\$112.1	(\$4.5)	(\$4.5)	(\$8.1)
GF Expenditure	(\$6.6)	\$132.9	(\$2.4)	(\$2.2)	(\$3.5)
SF Expenditure	(\$9.4)	\$47.6	\$37.9	\$17.9	(\$8.0)
Net Effect	\$6.4	(\$68.5)	(\$40.1)	(\$20.3)	\$3.3

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

**Local Effect:** Local government finances are affected, as discussed below.

**Small Business Effect:** Meaningful.

## Analysis

**Bill Summary:** The provisions discussed below are numbered for purposes of reference in the State Fiscal Effect and Local Fiscal Effect sections of this fiscal and policy note.

### *Funding for Parks, Land Conservation, State Lakes, and Forest-related Purposes*

The bill makes the following changes relating to funding for parks, land conservation, State lakes, and forest-related purposes:

- (1) ***Park System Critical Maintenance Fund*** – establishes a Park System Critical Maintenance Fund to address critical maintenance concerns on Department of Natural Resources (DNR)-managed park lands and requires a \$70.0 million general fund appropriation to the fund in fiscal 2024, which must be spent by July 1, 2026;
- (2) ***Park System Capital Improvements and Acquisition Fund*** – (1) establishes a Park System Capital Improvements and Acquisition Fund for capital improvements on DNR-managed State park lands and land acquisition for State parks; (2) requires a \$36,873,928 general fund appropriation to the fund in fiscal 2024; (3) authorizes the Governor, on or before June 30, 2022, to transfer \$43,126,072 of the funds for Program Open Space (POS) State land acquisition in the transfer tax special fund (discussed below under Current Law) to the Park System Capital Improvements and Acquisition Fund (the authorized transfer of \$43,126,072 plus the required general fund appropriation of \$36,873,928 total \$80.0 million); (4) requires the first \$70.0 million received by the fund to be allocated in a specified manner (\$5.0 million for climate change mitigation infrastructure projects; \$5.0 million for historic preservation; \$20.0 million for transportation improvements; \$10.0 million for increasing water access; and \$30.0 million for land acquisition); and (5) if the fund receives more than \$70.0 million, authorizes DNR to use up to \$10.0 million for any of the purposes identified for the first \$70.0 million;
- (3) ***Repeal of Appropriations for Park Development and Critical Maintenance*** – repeals requirements that general fund appropriations be made to the transfer tax special fund in the following amounts – \$6.0 million in each of fiscal 2024, 2025, and 2026, and \$4.0 million in fiscal 2027 – a total of \$22.0 million that otherwise would have been used for park development and critical maintenance on DNR-managed lands;
- (4) ***Repeal of Appropriations Distributed by Formula*** – repeals requirements that general fund appropriations be made to the transfer tax special fund in the following amounts – \$6,809,499 in fiscal 2024; \$37,986,900 by June 30, 2026; \$48,221,900 by June 30, 2030; and \$25,360,950 by June 30, 2031 – a total of \$118,379,249,

which otherwise would have been distributed under the transfer tax formula (discussed below under Current Law) in the following total amounts: \$90,145,798 (76.15%) to POS; \$20,183,662 (17.05%) to the Maryland Agricultural Land Preservation Foundation (MALPF); \$5,918,962 (5%) to the Rural Legacy Program; and \$2,130,826 (1.8%) to the Heritage Conservation Fund;

- (5) ***Accelerated Appropriation to MALPF*** – requires a \$16,564,469 appropriation to MALPF in fiscal 2024, which is virtually equivalent to the \$20,183,662 in MALPF funding repealed above that otherwise would have been appropriated over a number of years, through fiscal 2031, minus MALPF’s share of \$9,496,725 (17.05% – \$1,619,192) in general funds that is included in the fiscal 2023 budget to satisfy one-quarter of the \$37,986,900 that is required under current law to be appropriated to the transfer tax special fund by June 30, 2026 (mentioned above) less \$2,000,000; however, if Senate Bill 942/House Bill 855 of 2022 do not take effect, the bill requires the Governor to include in the annual budget bill an appropriation of \$2,000,000 to MALPF in addition to the \$16,564,469;
- (6) ***Accelerated Appropriation to the Rural Legacy Program*** – requires a \$5,444,127 appropriation to the Rural Legacy Program in fiscal 2024, which is virtually equivalent to the \$5,918,962 in Rural Legacy Program funding repealed above, minus the Rural Legacy Program’s share of \$9,496,725 (5% – \$474,836) in general funds that is included in the fiscal 2023 budget to satisfy one-quarter of the \$37,986,900 that is required under current law to be appropriated to the transfer tax special fund by June 30, 2026 (mentioned above);
- (7) ***Accelerated Appropriation for the Next Generation Farmland Acquisition Program*** – repeals required general fund appropriations of \$2.5 million in each of fiscal 2024, 2025, 2026, and 2027 to the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) for the Next Generation Farmland Acquisition Program (“Next Gen Program”), and instead requires a \$10.0 million general fund appropriation to MARBIDCO, for the Next Gen Program, in fiscal 2024;
- (8) ***Increased Program Open Space Baltimore City Direct Grant Funding*** – beginning in fiscal 2024, increases, from \$6.0 million each fiscal year to \$10.0 million each fiscal year, the amount of POS State funding that is used to make grants to Baltimore City for projects which meet park purposes;
- (9) ***Great Maryland Outdoors Fund*** – (1) establishes a Great Maryland Outdoors Fund in DNR, to be used for implementing the recommendations of the Maryland Outdoor Recreation Economic Commission (including establishing and supporting an Office of Outdoor Recreation in DNR); for department projects and programs

that provide, promote, and enhance outdoor recreation opportunities in the State; and for awarding grants to destination marketing organizations for the purpose of promoting and marketing State parks and (2) authorizes an appropriation of up to \$3.0 million to the fund in fiscal 2024 and each fiscal year thereafter;

- (10) ***Charitable Funding*** – requires DNR to expand its work with park-focused organizations to leverage charitable funding for park enhancements;
- (11) ***Extension of Funding for State Lakes Protection and Restoration*** – extends the termination date – from June 30, 2022, to June 30, 2025 – of Chapter 698 of 2018 (Chapter 698 requires the Governor to include in the annual budget bill each fiscal year an appropriation of \$1.0 million to the State Lakes Protection and Restoration Fund used to protect and restore State-owned or State-managed lakes), which results in the annual appropriation, which otherwise ends after fiscal 2023, being required for fiscal 2024 through 2026; and
- (12) ***Mel Noland Woodland Incentives and Fellowship Fund*** – increases the appropriation the Governor is required to include in the annual budget bill, for each fiscal year, for the Mel Noland Woodland Incentives and Fellowship Fund (which may be used for a variety of forest-related purposes) from \$50,000 to \$1.0 million, beginning in fiscal 2024.

#### *Parks Staff and Volunteers*

The bill makes the following changes relating to MPS staff and volunteers:

- (13) ***100 New Permanent Positions*** – (1) requires the Department of Budget and Management (DBM), by October 1, 2023, to increase the number of full-time employees in DNR by 100 permanent, classified positions (with 90 positions required to be budgeted in MPS, including 1 volunteer management program coordinator, 5 positions required to be budgeted in the Engineering and Construction Unit, 3 positions required to be budgeted in the Land Acquisition and Planning Unit, and 2 assistant Attorneys General with experience in real estate law required to be assigned to DNR and designated by the Attorney General to advise on real estate and transactional matters) and (2) requires a \$12.0 million appropriation in fiscal 2024 to fund the 100 permanent, classified positions and related operating costs;
- (14) ***Staff Adequacy and Salary Reviews*** – requires DBM to (1) conduct a staff adequacy review of MPS every two years; (2) conduct a specified staff salary review of MPS every three years; and (3) report on the findings of the reviews;

- (15) ***Revision of Park Service Associate Job Title*** – requires DBM to, by July 1, 2022, revise the job title of employees with the job title “Park Service Associate” to have the job title “State Park Ranger”;
- (16) ***Emergency Services Personnel Recognition and Related Benefits*** – (1) requires DNR to recognize forest rangers, park rangers, and wildlife rangers as emergency services personnel; (2) clarifies that forest rangers, park rangers, and wildlife rangers are eligible for workers’ compensation benefits and expands an existing occupational disease presumption for Lyme disease to forest rangers, park rangers, and wildlife rangers; and (3) expands an existing State income tax subtraction modification (for pension income) for retired law enforcement, correctional officers, and fire, rescue, or emergency services personnel between the ages of 55 and 64 so that it also includes retired forest rangers, park rangers, and wildlife rangers between those ages;
- (17) ***Volunteer Management Program*** – requires DNR to implement a specified volunteer management program (managed by a volunteer program manager) to strategically manage volunteer services provided by individuals and State parks friends groups; and
- (18) ***Report on Registered Apprenticeship Programs*** – requires that DNR, by October 1, 2023, and in collaboration with the Maryland Department of Labor, (1) identify opportunities to create registered apprenticeship programs to help address workforce shortages and the career workforce needs of DNR and (2) report its findings to the Senate Budget and Taxation Committee and the House Appropriations Committee.

#### *Management of Parks and Park Infrastructure*

The bill makes the following changes relating to the management of parks and park infrastructure:

- (19) ***Asset Management and Facility Condition Assessment*** – requires DNR to coordinate with the Department of General Services (DGS) to (1) develop an electronic asset management system for its infrastructure, including a list of maintenance projects at each site, the status of each project, the date on which each project was added to the system, and features that allow DNR to manage the planning, scheduling, work order, and cost of each maintenance project; (2) develop a specified facility condition index assessment process for all MPS sites; and (3) establish a dedicated asset evaluation team to assess the condition of MPS assets (structures, infrastructure, and landscapes), update individual facility condition indices on an ongoing basis, and cross-reference the condition of MPS sites and

facility condition indices with the distribution of MPS assets within environmental justice communities as identified by DNR using the Maryland Environmental Justice Screen Tool;

- (20) ***Inventory Assessment and Maintenance Prioritization*** – requires DNR to (1) take specified inventory of all State land managed by the department, including, among other things, whether a property is located within an environmental justice community as identified by DNR using the Maryland Environmental Justice Screen Tool; (2) develop a maintenance project prioritization process modeled after the National Park Service’s asset priority index that includes a layer indicating whether a maintenance project is located in an environmental justice community as identified by DNR using the Maryland Environmental Justice Screen Tool; (3) develop and publish on its website a list of maintenance projects in the State park system that are expected to cost more than \$25,000; and (4) when determining whether to repair or replace infrastructure with sustainable technology, consider how the replacement value of an asset will change if only sustainable technology is used, including any ongoing cost savings;
- (21) ***Systemwide Survey of Historical and Cultural Resources*** – requires DNR to conduct a systemwide survey of historical and cultural resources with a focus on racial and linguistic inclusivity, including an estimation of restoration, preservation, and maintenance costs, without delaying the preservation and restoration of historical and cultural resources while conducting the survey;
- (22) ***Five-year Capital Improvement Plan*** – requires DNR, by December 1, 2023, and every five years thereafter, to develop and publish a specified five-year Capital Improvement Plan for MPS, including specified information on critical maintenance projects and their prioritization, and submit the plan to the General Assembly;
- (23) ***Small Procurement Authority*** – increases the contract value threshold, from \$50,000 to \$100,000, below which DNR may award a procurement contract for capital projects or maintenance using the “small procurement” procurement method;
- (24) ***Parks and Recreation Commission*** – repeals the Park Advisory Commission and establishes a Parks and Recreation Commission – staffed by DNR – to provide oversight of MPS and its implementation of the bill, and to report to specified General Assembly committees by December 1, 2024, and each December 1 thereafter on the status of MPS and how the General Assembly can support MPS;
- (25) ***Comprehensive Long-Range Strategic Plan*** – requires DNR to develop and publish by December 1, 2023, and update every five years, a specified Comprehensive

Long-Range Strategic Plan, and submit the plan and any updates to the General Assembly; and

- (26) ***Independent Study*** – requires the Department of Legislative Services (DLS) to hire an independent consultant to conduct (and report on by December 1, 2023) a specified independent study of (1) whether MPS is producing outcomes consistent with its mission; (2) the visitor experience for State parks; (3) how funding can be used to enable MPS to produce outcomes consistent with its mission; and (4) how MPS projects can support public health as well as climate change mitigation, adaptation, and resiliency.

*New Parks/Amenities and Other Considerations*

The bill makes the following changes relating to new parks/amenities and other considerations:

- (27) ***Freedman’s and Port of Deposit State Historical Parks*** – authorizes DNR to enter into a memorandum of understanding or partnership agreement with a local government, bicounty agency, or nonprofit organization to establish or manage a partnership park (a unit of the State park system managed by DNR in partnership with a local government, bicounty agency, or nonprofit organization) and requires DNR to (1) establish the Freedman’s State Historical Park and the Port of Deposit State Historical Park as partnership parks that seek to educate the public about and preserve and interpret the lives and experiences of Black Americans both before and after the abolition of slavery; (2) have the parks consist of specified properties, in northeastern Montgomery County in the case of the Freedman’s State Historical Park, and a specified portion of the Bainbridge Naval Training Center site (which the bill requires the Bainbridge Development Corporation to transfer to DNR by June 1, 2023) in the case of the Port of Deposit State Historical Park; (3) establish a specified stakeholder advisory committee for each of the two parks to advise the department on the scope and management of the parks; and (4) report to the General Assembly by January 1, 2023, on property suitable for inclusion in the parks and the funding needed to establish and promote the parks;
- (28) ***Other Partnership Parks*** – establishes the intent of the General Assembly that if the State acquires Carr’s Beach, property in the “Waldorf core zone” (defined in the bill) in Charles County, and/or Hill Road Park in Prince George’s County for the purpose of making those properties State parks, that they be partnership parks established and maintained in a manner substantially similar to specified requirements in the bill applicable to Freedman’s State Historical Park;

- (29) ***Decision Making with Respect to New Parks and Amenities*** – requires DNR to (1) make decisions related to the establishment of State historical parks or other units that preserve and interpret the history of African American, Asian, Indigenous or Native American, and Hispanic or Latino populations in the State in coordination with the Parks and Recreation Commission and with input from groups active in the preservation of historical sites of underrepresented communities, including specified commissions and the Office of Immigrant Affairs; (2) consider the cultural and ecological carrying capacities of State park areas when examining the development of new amenities in existing State parks; and (3) target the location and establishment of new State parks and amenities toward areas that are identified by DNR’s park equity tool as in need of recreational opportunities or that would relieve overcrowding in existing State parks that have consistently had to close to the public due to capacity restrictions;
- (30) ***Crime Prevention*** – requires MPS to adopt design principles related to crime prevention in its programming and amenities to ensure maximum public safety for all residents and visitors;
- (31) ***Accessibility*** – requires MPS to (1) adopt universal design principles in its programming and amenities to ensure maximum access and safety for all residents and visitors, especially people with disabilities, older adults, and seniors and (2) ensure that the MPS website and all other digital outreach platforms adhere to Web Content Accessibility Guidelines 2.1 and Section 508 of the Americans with Disabilities Act;
- (32) ***Climate Change and Local Water Quality*** – requires DNR to (1) recognize as a formal policy that the State’s forests, trees, and wetlands are a major tool for addressing climate change with regard to mitigation, adaptation, and resiliency and (2) require all MPS projects to contribute, to the extent possible, to the improvement of local water quality; and
- (33) ***Report on Fort Tonoloway State Park*** – requires DNR to, by December 1, 2022, submit a specified report to the General Assembly on the possibility of reopening Fort Tonoloway State Park after the conclusion of the archaeological excavation of the park.

**Current Law:** Existing statute includes the following provisions that are relevant to the bill’s changes and/or changed by the bill (as described above):

- ***Statutory Role of the Department of Natural Resources*** – Statute requires DNR to promote, administer, and manage every State-owned or leased forest, park, scenic



preserve, natural area, parkway, historic monument, and recreation area, and to administer every law and rule or regulation relating to forests, parks, scenic preserves, natural areas, parkways, historic monuments, and recreation areas.

- ***Transfer Tax Funding*** – The State transfer tax of 0.5% of the consideration paid for the transfer of real property is used to fund several land conservation programs as well as State forest and park operations. After certain initial distributions for debt service and administrative costs, the revenue is held in a transfer tax special fund and distributed according to the following percentages (“transfer tax formula”): (1) 76.15% to POS; (2) 17.05% to MALPF; (3) 5% to the Rural Legacy Program; and (4) 1.8% to the Heritage Conservation Fund.
- ***Chapter 10 of 2016 Reimbursement of Diverted Transfer Tax Funding*** – Chapter 10 of 2016 established a plan to reimburse the transfer tax special fund for money transferred from the fund to the general fund in fiscal 2006 and fiscal 2016, 2017, and 2018. This plan has evolved, with various modifications since then, shifting the timing and allocation of the reimbursement. The remaining reimbursement amounts (required general fund appropriations) that are scheduled for fiscal 2024 or later fiscal years, include: (1) for park development and critical maintenance on DNR-managed lands – \$6.0 million in each of fiscal 2024, 2025, and 2026 and \$4.0 million in fiscal 2027; (2) for allocation through the transfer tax formula – \$6,809,499 in fiscal 2024; \$37,986,900 by June 30, 2026; \$48,221,900 by June 30, 2030; and \$25,360,950 by June 30, 2031; and (3) for MARBIDCO for the Next Gen Program – \$2.5 million in each of fiscal 2024, 2025, 2026, and 2027.
- ***Program Open Space*** – The 76.15% distributed through the transfer tax formula to POS is subject to further required allocations among different uses, including State land acquisition and capital improvements for recreation and open space purposes, local government acquisition and development of land for recreation and open space purposes, and State forest and park operations. Subject to certain additional detail and distributions, in general, approximately 50% is allocated to State land acquisition and capital development, 30% is allocated to local government acquisition and development, and 20% is allocated to State forest and park operations.
- ***Program Open Space Baltimore City Direct Grant Funding*** – Of the 50% of POS funding allocated to State land acquisition and capital development, \$6.0 million of that funding, each fiscal year, must be used to make grants to Baltimore City for projects which meet park purposes. This funding is in addition to funding the city receives from the 30% of POS funding allocated to local government acquisition and development.

- Maryland Agricultural Land Preservation Foundation*** – MALPF was established by the General Assembly to preserve productive agricultural land and woodland, limit the extent of urban development, and protect agricultural land and woodland as open space. MALPF, with the assistance and cooperation of landowners and local governments, purchases development rights easements as a means of protecting agricultural land and woodland production activities. As mentioned above, MALPF receives 17.05% of the funding distributed through the transfer tax formula, which has traditionally been allocated entirely toward capital costs of purchasing easements. MALPF also receives funding from the agricultural land transfer tax and surcharge, which is primarily used for the foundation’s operating expenses.
- Rural Legacy Program*** – The Rural Legacy Program provides funding for local governments and conservation organizations (such as land trusts) to purchase property and conservation easements within designated rural legacy areas. Local governments and land trusts apply annually to the Rural Legacy Board, which makes recommendations for designating rural legacy areas and granting funds to preserve land in the rural legacy areas that are then reviewed and approved by the Board of Public Works. As mentioned above, the program receives 5% of the funding distributed through the transfer tax formula.
- Next Generation Farmland Acquisition Program*** – The Next Gen Program is administered by MARBIDCO, which was established under Chapter 467 of 2004 to help Maryland’s farm, forestry, seafood, and related rural businesses to achieve profitability and sustainability. Under statutory authority to administer rural land acquisition and easement programs, including programs to assist young and beginning farmers, MARBIDCO administers the Next Gen Program, and the recently established Small Acreage Next Generation Farmland Acquisition Program (“SANG”), which help young and beginning farmers purchase land, with the purchases made under the programs resulting in, or typically leading to, permanent easements on the land.
- Chapter 698 of 2018 (State Lakes Protection and Restoration Fund)*** – Chapters 404 and 405 of 2017 first established the State Lakes Protection and Restoration Fund, administered by the Secretary of Natural Resources, to protect and restore State-owned lakes. Chapter 698 of 2018 requires the Governor to include in the annual budget bill an appropriation of \$1.0 million to the fund for fiscal 2020 and each fiscal year thereafter; however, Chapter 698 terminates June 30, 2022. Chapter 698 also allows for the fund to be used to protect and restore State-managed lakes as well as State-owned lakes and specifies the following activities the fund may be used for in order to protect and restore State-owned or State-managed lakes: (1) removing sediment; (2) treating contaminated sediment; (3) preventing the

spread of invasive species; (4) improving ecological and recreational value; and (5) taking any other action DNR determines necessary.

- ***Mel Noland Woodland Incentives and Fellowship Fund*** – The Mel Noland Woodland Incentives and Fellowship Fund may be used for a variety of forest-related purposes specified in statute. Chapter 223 of 2019 established the Mel Noland Fellowship Program within DNR to support students seeking careers in fields relating to natural resources. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$50,000 to the fund, and DNR must direct \$50,000 annually from the fund to the fellowship program. (The bill increases the amount of the appropriation the Governor must include in the annual budget bill for each fiscal year beginning with fiscal 2024, from \$50,000 to \$1.0 million, but does not change the amount – \$50,000 – that must be directed from the fund to the fellowship program.)
- ***Park Advisory Commission*** – There is a Park Advisory Commission within DNR, consisting of 12 members appointed by the Governor with the advice of the Secretary of Natural Resources.
- ***Small Procurement Authority*** – Under State procurement law, “small procurement” means a procurement for which a unit spends \$50,000 or less, and statute specifies certain other instances in which procurements are considered small procurements, including when DGS or the Maryland Department of Transportation is seeking to award a procurement contract for a construction with a value of \$100,000 or less. In general, small procurements can use simplified administrative procedures but must be consistent with the basic intent of State procurement law.
- ***Workers’ Compensation Benefits and Occupational Disease Presumptions*** – An individual is presumed to be a covered employee under workers’ compensation law while in the service of an employer under an express or implied contract of apprenticeship or hire. Statute also specifies that a registered crew member, a paid law enforcement employee, or an individual engaged for fire fighting by DNR is a covered employee. Workers’ compensation law establishes a presumption of compensable occupational disease for certain public safety employees who are exposed to unusual hazards in the course of their employment. It is assumed that the specified diseases (heart disease, hypertension, lung disease, specified cancers, and Lyme disease) are due to the employees’ work and, therefore, require no additional evidence in the filing of a claim for workers’ compensation. Generally, presumptions are based on particular occupations and their associated health risks.

- ***Income Tax Subtraction Modification for Pension Income*** – Maryland law provides a pension exclusion (in the form of a subtraction modification) for individuals who are at least 65 years old or who are totally disabled, allowing for taxable pension income up to a specified amount (\$34,400 for 2021) to be exempt from tax. Chapters 153 and 154 of 2017 established a pension exclusion, for taxable pension income up to \$15,000, for retired law enforcement officers or fire, rescue, or emergency services personnel between the ages of 55 and 64. Chapters 573 and 581 of 2018 extended eligibility for that pension exclusion to correctional officers.

**State Fiscal Effect:** The estimated State fiscal effect of the bill is summarized in **Exhibit 1** and is based on the following assumptions and information:

- the money in the two new special funds (Park System Critical Maintenance Fund and Park System Capital Improvements and Acquisition Fund) resulting from the general fund appropriations to the funds in fiscal 2024 (under provisions 1 and 2, as numbered above in the Bill Summary) is assumed to not be fully appropriated from the special funds in fiscal 2024, but instead appropriated over multiple years (with the specific amounts shown in the exhibit attributable to DLS assumptions), based partially on the July 1, 2026 spending deadline for the Park System Critical Maintenance Fund and indications from DNR and DGS about how quickly the funding can be spent;
- the authorized transfer of \$43.1 million to the Park System Capital Improvements and Acquisition Fund on or before June 30, 2022, (provision 2) shifts \$43.1 million in special fund expenditures from the transfer tax special fund to the Park System Capital Improvements and Acquisition Fund, having no net effect on special fund expenditures (and therefore not shown in Exhibit 1), but allowing for that funding to be spent for both capital improvements and land acquisition instead of solely for land acquisition;
- the repeal of appropriations distributed through the transfer tax formula (provision 4) is reflected in Exhibit 1 consistent with the manner in which DBM has indicated that those appropriations are planned to be allocated among fiscal 2023 through 2031, dividing the appropriations required by June 30, 2026, and June 30, 2030, by four and reflecting those appropriations over the course of the four fiscal years leading up to June 30, 2026, and June 30, 2030;
- as shown in Exhibit 1, general fund expenditures are assumed to decrease by \$9,496,725 in fiscal 2023 (along with the associated special fund revenues and expenditures impacts) as a result of the repeal of the general fund appropriation distributed through the transfer tax formula, of \$37,986,900 by June 30, 2026

(\$9,496,725 is one-quarter of \$37,986,900); however, that funding is included in the fiscal 2023 budget (as part of a \$30,496,725 general fund appropriation to the Dedicated Purpose Account designated for POS repayment);

- the accelerated funding for MALPF, the Rural Legacy Program, and the Next Gen Program (provisions 5, 6, and 7), while shown in Exhibit 1 as appropriated in fiscal 2024, may, in practice, be *spent* over the course of more than one fiscal year;
- while not specified in the bill, this estimate assumes that the required appropriations in fiscal 2024 for MALPF and the Rural Legacy Program (provisions 5 and 6) are general fund appropriations;
- the accelerated funding for MALPF (provision 5) is allocated entirely as capital funding for the purchase of agricultural land preservation easements, and additional special fund expenditures are required, for staff and other expenses needed to spend the additional funding and to manage the ongoing stewardship and enforcement of the additional easements;
- also, with regard to provision 5, this estimate assumes that one, or both, of Senate Bill 942 and House Bill 855 of 2022 take effect, and the general fund appropriation to MALPF in fiscal 2024 is \$16,564,469; however, if those bills do not take effect, the fiscal 2024 appropriation is increased by \$2,000,000 to \$18,564,469 (assuming that the \$2,000,000 required to be appropriated to MALPF if the bills do not take effect is included in the annual budget bill for fiscal 2024);
- the increased Baltimore City direct grant funding (provision 8) does not affect State finances because it only reallocates funding and does not increase overall POS State funding;
- the full authorized amount of \$3.0 million is appropriated to the Great Maryland Outdoors Fund in fiscal 2024 and each fiscal year thereafter (provision 9) and, based on information provided by DNR, in addition to being allocated toward grants, marketing, and project development and management, a portion of the funding also supports three new positions in the Office of Outdoor Recreation;
- revenues generated from State park use, such as day use fees, may increase by an indeterminate amount beginning in fiscal 2024 as a result of marketing and promotion of State parks funded by the Great Maryland Outdoors Fund (provision 9);

- as mentioned in the Bill Summary (under provision 11), the extension of the termination date of Chapter 698 of 2018 results in the \$1.0 million annual appropriation to the State Lakes Protection and Restoration Fund, which otherwise ends after fiscal 2023, being required for fiscal 2024 through 2026; despite the June 30, 2022 termination date of Chapter 698, in the absence of this bill, the \$1.0 million appropriation is assumed to continue through fiscal 2023, since Chapter 698 was in effect when the Governor introduced the annual budget bill for fiscal 2023 during the 2022 session, and the fiscal 2023 budget includes the \$1.0 million mandated appropriation for fiscal 2023;
- general fund expenditures increase by \$950,000 annually beginning in fiscal 2024, reflecting the increased annual mandated appropriation to the Mel Noland Woodland Incentives and Fellowship Fund (provision 12), and special fund revenues and expenditures increase correspondingly, reflecting receipt of the general funds by the fund and expenditures from the fund;
- the 100 new permanent positions required by the bill (provision 13) are accounting for existing staff deficiencies; in addition to those required positions, additional DNR and DGS staff are needed to implement the new infrastructure management requirements in the bill (provisions 19 and 20) and to spend the additional funding in the two new special funds (provisions 1 and 2) (DGS will be involved in the procurement, project management, and oversight of the work);
- the 100 new permanent positions required by the bill are assumed to start July 1, 2023, concurrent with the availability of the required \$12.0 million appropriation in fiscal 2024 to fund the positions and related operating costs; however, the fiscal 2023 budget includes \$1.0 million in general funds for 15 new positions in MPS, and to the extent those 15 positions can be counted toward the 100 new permanent positions required by the bill, expenditures increase by a lesser amount in fiscal 2024 and future years than shown in Exhibit 1 (only the amount needed to fund the remaining 85 positions and related operating costs, rather than all 100 positions);
- the additional new positions needed in DNR, DGS, and MALPF to implement the new infrastructure management requirements and to spend the general funds appropriated to the two new special funds and MALPF in fiscal 2024 are assumed to start July 1, 2022, to have time to get up to speed prior to fiscal 2024 and, in the case of DNR and DGS, to begin implementing the infrastructure management requirements and assist with spending of any of the \$43.1 million authorized to be transferred to the Park System Capital Improvements and Acquisition Fund on or before June 30, 2022, that is spent for capital improvements;

- DNR general or special fund expenditures may increase beginning in fiscal 2023 to pay for workers' compensation benefits, due to the bill's expansion of the State's occupational disease presumption for Lyme disease (provision 16) (a precise estimate of the increase depends on how many affected forest rangers, park rangers, or wildlife rangers qualify for the occupational disease presumption in any given year and whether any of those employees would have received workers' compensation for Lyme disease absent the bill, which cannot be reliably predicted; a covered employee may still receive workers' compensation for Lyme disease under current law, but the presumption established under the bill ensures no additional evidence is required to qualify for benefits);
- general fund revenues decrease by approximately \$100,000 annually due to the bill's income tax subtraction modification provision (provision 16), based primarily on data on the existing subtraction modification, information from the State Retirement Agency on DNR retirees between the ages of 55 and 64, and the proportion of MPS employees that would be considered park rangers (MPS does not use the forest ranger and wildlife ranger classifications) to overall DNR employees, and accounting for the potential for federal and local government retirees to also qualify;
- the costs of contractual services to conduct the systemwide survey of historical and cultural resources, complete the comprehensive long-range strategic plan, and complete the independent study (provisions 21, 25, and 26) are expected to be at least \$250,000, \$150,000, and \$150,000, respectively;
- annual supplies and equipment totaling \$100,000 are needed to brand, interpret, and equip Freedman's State Historical Park (provision 27); DNR indicates that three employees are also needed for the park's operations, but it is assumed, for the purposes of this estimate, that 3 of the 100 new MPS positions hired in fiscal 2024 are assigned to the park;
- general fund expenditures may increase significantly, as early as fiscal 2024 (it is unclear how soon these expenditures may begin, but it is assumed for the purposes of this analysis that they *could* begin as early as fiscal 2024), due to the establishment of the Port of Deposit State Historical Park (provision 27), including costs of making infrastructure and other improvements to the historic Tome School portion of the park (which this analysis assumes are funded with general funds, but may instead be funded with general obligation bonds), and operating and maintaining the park; these costs cannot be quantified at this time, but the capital costs associated with the historic Tome School portion of the park may be in the millions, if not tens of millions, of dollars (based on past studies/estimates for

redevelopment of the site) depending on the level of infrastructure establishment and building restoration/development that is undertaken for the park; and

- special fund (Annuity Bond Fund) State property tax revenues may decrease, as early as fiscal 2024 (the timing of any revenue decrease is unclear but it is assumed for the purposes of this analysis that revenues *could* decrease as early as fiscal 2024) due to the transfer of the land for the Port of Deposit State Historical Park to DNR (provision 27) if, in the absence of the bill, the land, or a portion of the land, is otherwise transferred to a private entity (causing the land to be subject to State and local property tax); the extent of any decrease in State property tax revenues cannot be quantified at this time but is expected to be relatively minimal.



**Exhibit 1**  
**Estimated State Fiscal Effect of the Bill**  
**(\$ in Millions)**

<u>Prov</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
1	Park System Critical Maintenance Fund appr.	DNR	GF Exp		\$70.0							
			SF Rev		70.0							
			SF Exp		30.0	\$30.0	\$10.0					
2	Park System Capital Improvements and Acquisition Fund appr.	DNR	GF Exp		36.9							
			SF Rev		36.9							
			SF Exp		12.3	12.3	12.3					
3	Repeal of park development and critical maintenance appr.	DNR	GF Exp		(6.0)	(6.0)	(6.0)	(\$4.0)				
4	Repeal of apprs. distributed through formula	DNR/ MDA	GF Exp	(9.5)	(16.3)	(9.5)	(9.5)	(12.1)	(\$12.1)	(\$12.1)	(\$12.1)	(\$25.4)
			SF Rev	(9.5)	(16.3)	(9.5)	(9.5)	(12.1)	(12.1)	(12.1)	(12.1)	(25.4)
		DNR/ MDA	SF Exp	(7.9)	(13.5)	(7.9)	(7.9)	(10.0)	(10.0)	(10.0)	(10.0)	(21.0)
			SF Exp	(1.6)	(2.8)	(1.6)	(1.6)	(2.1)	(2.1)	(2.1)	(2.1)	(4.3)
5	Accelerated MALPF appr.	MDA	GF Exp		16.6							
			SF Rev		16.6							
			SF Exp	0.1	16.7	0.2	0.1	0.1	0.1	0.1	0.1	0.1
			<i>SF Pos's</i>	<i>1</i>								

<u>Prov</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
6	Accelerated Rural Legacy Program appr.	DNR	GF Exp		5.4							
7	Accelerated Next Gen Program appr. (incl'ing repeal of existing apprs.)	MARBIDCO	GF Exp		(2.5)	(2.5)	(2.5)	(2.5)				
			GF Exp		10.0							
9	Great Maryland Outdoors Fund	DNR	GF Exp		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
			SF Rev		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
			SF Exp		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
			<b>SF Pos's</b>		<b>3</b>							
9	Potential Park User Revenues (e.g., day use fees) from park promotion supported by the Great Maryland Outdoors Fund	DNR	SF Rev		-	-	-	-	-	-	-	-
11	Extension of Funding for State Lakes Protection and Restoration	DNR	GF Exp		1.0	1.0	1.0					
			SF Rev		1.0	1.0	1.0					
			SF Exp		1.0	1.0	1.0					
12	Mel Noland Woodland Incentives and Fellowship Fund	DNR	GF Exp		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
			SF Rev		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
			SF Exp		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
13	100 new permanent positions (and associated start-up and ongoing operating costs)	DNR	GF Exp		12.0	8.7	9.0	9.2	9.4	9.6	9.9	10.1
			<b>GF Pos's</b>		<b>100</b>							

<u>Prov</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
1, 2, 19, 20	Add'l DNR positions for infrastructure management reqmts. and spending of new funding	DNR	GF Exp <i>GF Pos's</i>	1.1 8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9
1, 2, 19	Add'l DGS positions for infrastructure management reqmts. and spending of new funding	DGS	GF Exp <i>GF Pos's</i>	1.2 8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1
16	Workers' compensation occupational disease presumption	DNR	GF/SF Exp	-	-	-	-	-	-	-	-	-
16	Income tax subtraction modification	Comp	GF Rev	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
21	Systemwide survey of historical and cultural resources	DNR	GF Exp	0.3								
25	Comprehensive long-range strategic plan	DNR	GF Exp	0.2								
26	Independent study	DLS	GF Exp	0.2								
27	Freedman's State Historical Park	DNR	GF Exp	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

<u>Prov</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
27	Port of Deposit State Historical Park	DNR	GF Exp		-	-	-	-	-	-	-	-
		ABF	SF Rev		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<i>Subtotals</i>												
			<i>GF Exp</i>	<i>(6.6)</i>	<i>132.9</i>	<i>(2.4)</i>	<i>(2.2)</i>	<i>(3.5)</i>	<i>3.3</i>	<i>3.6</i>	<i>3.9</i>	<i>(9.1)</i>
			<i>SF Rev</i>	<i>(9.5)</i>	<i>112.1</i>	<i>(4.5)</i>	<i>(4.5)</i>	<i>(8.1)</i>	<i>(8.1)</i>	<i>(8.1)</i>	<i>(8.1)</i>	<i>(21.4)</i>
			<i>SF Exp</i>	<i>(9.4)</i>	<i>47.6</i>	<i>37.9</i>	<i>17.9</i>	<i>(8.0)</i>	<i>(8.0)</i>	<i>(8.0)</i>	<i>(8.0)</i>	<i>(21.3)</i>
			<i>GF Rev</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>
			<b><i>GF Pos's</i></b>	<b><i>16</i></b>	<b><i>100</i></b>							
			<b><i>SF Pos's</i></b>	<b><i>1</i></b>	<b><i>3</i></b>							
<b>Net State Effect</b>				<b>\$6.4</b>	<b>(\$68.5)</b>	<b>(\$40.1)</b>	<b>(\$20.3)</b>	<b>\$3.3</b>	<b>(\$3.5)</b>	<b>(\$3.8)</b>	<b>(\$4.1)</b>	<b>\$8.9</b>

ABF: Annuity Bond Fund

appr.: appropriation

Comp: Comptroller

DGS: Department of General Services

DLS: Department of Legislative Services

DNR: Department of Natural Resources

GF Exp: General fund expenditures

GF Pos's: General fund permanent positions

GF Rev: General fund revenues

GF/SF Exp: General/special fund expenditures

MALPF: Maryland Agricultural Land Preservation Foundation

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

MDA: Maryland Department of Agriculture

SF Exp: Special fund expenditures

SF Pos's: Special fund permanent positions

SF Rev: Special fund revenues

Source: Department of Legislative Services

**Local Fiscal Effect:** Local government fiscal impacts resulting from the bill include the following:

- Local POS funding decreases – as a result of the repeal of appropriations distributed through the transfer tax formula (provision 4) – by \$2.1 million in fiscal 2023, \$3.7 million in fiscal 2024, \$2.1 million in each of fiscal 2025 and 2026, \$2.7 million annually from fiscal 2027 through 2030, and \$5.7 million in fiscal 2031.
- Local governments may have greater operating costs associated with their role in MALPF’s purchase of easements due to the accelerated MALPF appropriation in fiscal 2024 (provision 5). MALPF indicates that local governments play an integral role in the process of purchasing easements and subsequent ongoing monitoring and stewardship of the easements.
- Local governments may benefit from additional grants for land conservation under the Rural Legacy Program as a result of the accelerated Rural Legacy Program appropriation in fiscal 2024 (provision 6).
- Baltimore City’s direct grant funding received from POS State funding (provision 8) increases by \$4.0 million each fiscal year, beginning in fiscal 2024; Baltimore City expenditures may increase to the extent additional personnel are needed to administer the additional grant funding.
- Similar to the impact on DNR expenditures, above, local government expenditures may increase beginning in fiscal 2023 to pay for workers’ compensation benefits, due to the bill’s expansion of the State’s occupational disease presumption for Lyme disease (provision 16), to the extent local government employees qualify as forest rangers, park rangers, or wildlife rangers.
- Similar to the impact on State general fund revenues, local income tax revenues decrease by approximately \$65,000 annually beginning in fiscal 2023, as a result of subtraction modifications claimed against the personal income tax (provision 16).
- Cecil County and Town of Port Deposit property tax revenues may decrease, as early as fiscal 2024 (the timing of any revenue decreases is unclear but it is assumed for the purposes of this analysis that revenues *could* decrease as early as fiscal 2024) due to the transfer of the land for the Port of Deposit State Historical Park to DNR (provision 27) if, in the absence of the bill, the land, or a portion of the land, is otherwise transferred to a private entity (causing the land to be subject to State and local property tax); the extent of any decrease in property tax revenues for Cecil County and the Town of Port Deposit cannot be quantified at this time.

**Small Business Effect:** Small businesses are expected to be meaningfully affected by the bill's modification of the timing, amounts, and uses of funding for parks and land conservation purposes. Small businesses can be involved in parks critical maintenance and capital development projects as well as due diligence work (title work, surveys, and appraisals) for land acquisition projects, and small business farmers can benefit from land conservation funding under MALPF, the Rural Legacy Program, and the Next Gen Program.

Small businesses may also benefit from the bill to the extent they provide materials or services for (1) promotion and marketing of State parks funded by the Great Maryland Outdoors Fund or (2) protection and restoration projects funded by the extended mandated funding for the State Lakes Protection and Restoration Fund.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 727 (Delegate Luedtke, *et al.*) - Environment and Transportation and Appropriations.

**Information Source(s):** Montgomery and Prince George's counties; Maryland Association of Counties; Maryland-National Capital Park and Planning Commission; Maryland Municipal League; Comptroller's Office; Maryland Department of Agriculture; Department of Budget and Management; Department of General Services; Department of Natural Resources; Maryland Department of Planning; Maryland Department of Transportation; Chesapeake Employers' Insurance Company; State Retirement Agency; Maryland Agricultural and Resource-Based Industry Development Corporation; Bainbridge Development Corporation; Department of Legislative Services

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