

MFA SB257 Mel Noland Reporting- SUPPORT.pdf

Uploaded by: Beth Hill

Position: FAV



Maryland Forests Association, Inc.

P.O. Box 332

Linkwood, MD 21835

410-463-1755

Maryland's voice for forest, wildlife, and natural resource management

February 6, 2026

The Honorable Brian J. Feldman, Chair

The Honorable Cheryl C. Kagan, Vice-Chair

Maryland Education, Energy, and the Environment Committee

Miller Senate Office Building

Annapolis, Maryland 21401

Re: SB257 Mel Noland Woodland Incentives and Fellowship Fund- Reporting

Dear Chairman Feldman, Vice-Chair Kagan, and Members of the Committee,

On behalf of the **Maryland Forests Association (MFA)** — representing Maryland's forest landowners, forest products businesses, and forestry professionals — we respectfully submit this testimony in **support of Senate Bill 257**.

SB 257 strengthens transparency and accountability by requiring the Department of Natural Resources (DNR) to provide clearer reporting on revenues and expenditures associated with the **Mel Noland Woodland Incentives and Fellowship Fund**. This improved reporting will help policymakers and stakeholders better understand how funds are received, distributed, and used.

Why the Mel Noland Fund Matters

The Mel Noland Woodland Incentives and Fellowship Fund is essential to Maryland's efforts to support active and sustainable management of private woodlands. The Fund helps finance the **Woodland Incentive Program (WIP)**, a cost-share program administered by the Maryland Forest Service that enables private landowners to implement forest stewardship practices, including reforestation, timber stand improvement, and the development of Forest Stewardship Plans. By offsetting a significant portion of project costs, WIP makes responsible forest management financially feasible for landowners who might otherwise be unable to invest in long-term stewardship.

These investments generate measurable public benefits, including improved water quality in the Chesapeake Bay watershed, enhanced wildlife habitat, increased forest health and resilience, and sustained timber productivity. The Fund also supports the **Mel Noland Fellowship Program**, which helps train the next generation of forestry professionals and strengthens Maryland's natural resource workforce.

Importantly, the Mel Noland Fund is the only dedicated state funding source supporting **forest stewardship, marketing, and utilization activities in Maryland**. These functions are interconnected: healthy forests require active management, and active management depends on strong markets and infrastructure to utilize forest products. Without this funding, Maryland risks losing critical capacity to support landowners and sustain working forests.

Impact of the Fund in Practice

The Mel Noland Fund has supported a wide range of on-the-ground forestry projects that deliver environmental and economic benefits across the state, including these recent accomplishments:

- Promoting workforce development by providing financial assistance for numerous forestry programs such as the Natural Resource Career Camp, Urban Forestry Camp, Junior Achievement of the Eastern Shore, Evergreen Heritage Center, and St. Mary's Career and Technology Academy.
- Eradicating Spongy Moth on more than 37,000 acres of white oak forest.
- Leveraging funds for a wood energy engineering study at Frostburg State University, which would create jobs, keep money in the local economy by providing a much-needed market for low-value wood, and assist in meeting renewable energy goals.

At the same time, demand for assistance consistently exceeds available funding. As a result, important stewardship and utilization projects have been delayed or unable to proceed, including:

Examples of worthwhile projects not funded due to insufficient resources:

- A wood energy project slated for Garrett County failed to come to fruition due to a lack of funding available for the match required by a federal grant.
- DNR was unable to provide a match to the only capital grant program for the forestry sector, WIPIEI, administered by MARBIDCO.
- The creation of the Forest Markets Council, envisioned by the Forestry Economic Adjustment Strategy, has stalled due to a lack of funding and support staff.
- An effort to stand up a workforce training for Timber Stand Improvement crews geared towards veterans transitioning to civilian life has also been held up due to a lack of funding.

These unmet needs highlight the importance of clear reporting on Fund revenues and expenditures. Accurate, transparent information will help the General Assembly evaluate whether funding levels are sufficient to meet Maryland's forest stewardship goals. We believe Mel Noland has been historically underfunded. We ask that priority be given to keeping this crucial program properly funded.

Conclusion

Forests are our greatest renewable resource. The programs, practices, and projects supported by the Mel Noland Fund are essential to the forest supply chain. SB 257 is a practical and important step toward ensuring transparency in a program that plays a critical role in maintaining healthy forests and a strong forest economy. Clear reporting will support informed decision-making and reinforce confidence that funds are being transferred and used effectively to benefit Maryland's environment and rural communities.

For these reasons, the Maryland Forests Association respectfully urges a **favorable report on Senate Bill 257**.

Thank you for your consideration.

Respectfully submitted,



Elizabeth D. Hill
 Executive Director
 Maryland Forests Association

SB 257 Senator Simonaire_FAV.pdf

Uploaded by: Kara Contino

Position: FAV

BRYAN W. SIMONAIRE
Legislative District 31
Anne Arundel County

Education, Energy, and the
Environment Committee

Joint Committee on the Chesapeake and
Atlantic Coastal Bays Critical Area



James Senate Office Building
11 Bladen Street, Room 320
Annapolis, Maryland 21401
410-841-3658 · 301-858-3658
800-492-7122 Ext. 3658
Fax 410-841-3586 · 301-858-3586
Bryan.Simonaire@senate.state.md.us

The Senate of Maryland ANNAPOLIS, MARYLAND 21401

SB 257 – Mel Noland Fund Reporting

I am Senator Bryan Simonaire presenting SB 257.

This bill simply provides additional transparency to our committee by slightly modifying an existing DNR annual report.

The existing report goes to this *committee* and the *House Environment and Transportation Committee*.

This bill adds reporting on:

1. The funding amount distributed into the *Mel Noland Woodland Incentives and Fellowship Fund* and
2. If any uncertainties about the amount, specify the uncertainty and the action needed to resolve it.

That is the bill.

So why is this bill needed?

Over the years, the required monies to be transferred into the Fund have been often miscalculated or simply overlooked with little or no legislative knowledge.

Ultimately the monies were not distributed to the Fund.

As we recently heard in a briefing, this was highlighted in the April 2025 DLS audit showing hundreds of thousands of dollars not distributed properly into the Fund just in the last several years alone.

To DNR's credit, they have been diligently working to rectify this situation as it deals with several different entities to ensure the correct amounts are calculated.

This bill is not about rehashing the audit or what happened, this is about providing our committee and the legislature transparency and more information, so going forward we can have confidence that the Fund is receiving the lawfully appropriate amounts.

I believe in preventive actions opposed to reactive measures, hence the additional reporting requirements.

I have experts on the topic who can answer detailed questions about the Fund and its usage, but that is the bill.

For all these reasons, I ask for your favorable consideration.

SB0257 Mel Noland Woodland Incentives and Fellowsh

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Position: FAV



Testimony in Support of
Senate Bill 257 - Mel Noland Woodland Incentives and Fellowship Fund - Reporting
Education, Energy, and the Environment Committee
February 10, 2026

The Rural Maryland Council **supports SB 257 - Mel Noland Woodland Incentives and Fellowship Fund - Reporting**. This bill strengthens legislative oversight and transparency by requiring the Department of Natural Resources (DNR) to provide detailed annual reporting on the use of funds credited to the Mel Noland Woodland Incentives and Fellowship Fund. Specifically, SB 257 requires DNR to report on how fund revenues are used, the amount of agricultural land transfer tax proceeds distributed to the fund from woodland-only property transfers, and any uncertainties regarding those distributions.

The Mel Noland Woodland Incentives and Fellowship Fund plays an important role in supporting Maryland's forestry workforce and woodland stewardship efforts. Clear and consistent reporting ensures that funds intended to support forestry incentives and professional development programs are properly tracked, fully allocated, and used as intended. Increased transparency also helps policymakers identify funding gaps, resolve uncertainties, and make informed decisions that support long-term workforce and conservation goals.

Maryland's forestry industry is a vital component of the State's rural economy. A recent economic impact study by BEACON at Salisbury University, conducted with support from the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), found that forestry contributes more than \$4.1 billion to Maryland's economy, represents nearly 14% of resource-based industry activity, supports over 14,000 jobs statewide, and generates more than \$139 million in State and local tax revenue. Ensuring accountability in programs that support this industry is critical to maintaining its economic strength and sustainability.

As demand for forestry education, workforce development, and woodland incentive programs continues to grow, accurate reporting is essential to ensure that available resources are maximized and directed where they are most needed. SB 257 provides the General Assembly with the information necessary to evaluate program effectiveness and ensure that revenues dedicated to forestry initiatives are fully and appropriately utilized.

For these reasons, the Rural Maryland Council respectfully requests a favorable report on SB 257.

AFI's FINAL Position on Senate Bill 257.pdf

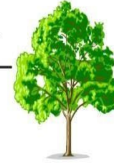
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Position: FAV



ASSOCIATION OF FOREST INDUSTRIES, INC.

P.O. Box 501
Huntingtown, Maryland 20639



February 10, 2026

HONORABLE MEMBERS OF THE SENATE EDUCATION, ENERGY AND THE ENVIRONMENT COMMITTEE

SUPPORT FOR SENATE BILL 257

MEL NOLAND WOODLAND INCENTIVES & FELLOWSHIP FUND - REPORTING

The Association of Forest Industries (AFI) is the representative voice of Maryland's forest industry at both the State and local government level.

Bill Miles, Advocate (billmilesmd@comcast.net)

The Association of Forest Industries (AFI) commends Senator Simonaire for introducing Senate Bill 257 which is of the utmost fiscal importance to Maryland's forest community as explained herein. The proposed legislation is about ensuring transparency and accountability on how agricultural transfer tax revenues – imposed on the conversion of forest land to non-forest land after having enjoyed a lower property tax assessment – are annually credited to the **Mel Noland Woodland Incentives & Fellowship Fund (Fund)** and duly documented by DNR.

§13–306(3)(i) of the Tax Property Article states the following:

“(3) The Comptroller shall deposit: (i) up to \$200,000 annually of the revenue remitted under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b) of this section – *that is, the agricultural land transfer tax that is attributable to the taxation of instruments of writing that transfer title to parcels of land that are entirely woodland* – to the Mel Noland Woodland Incentives Fund established in § 5–307 of the Natural Resources Article.”

This section was enacted by Chapter 620, Acts of 1986.

The purpose of the Fund – via § 5–307 Natural Resources Article – ranges from encouraging forest landowners to adopt stewardship plans and pursuing a carbon sequestration strategy to creating a forest marketing and utilization program in the Department to provide financial assistance to help support, stimulate, and market innovative and creative ways to enhance the production of value-added wood products.

For years Maryland's forest community questioned the accuracy of the annual distribution of agricultural land transfer tax revenues to the Fund, but to no avail. AFI presented its case to the State Auditor (Office of Legislative Audits) in early 2025.

On April 24, 2025, the State Auditor issued a fiscal compliance audit of the Department of Natural Resources covering the period beginning August 6, 2019, and ending December 31, 2023. Among other things, the State Auditor reported the following:

"We received a referral to our fraud, waste, and abuse hotline which noted that DNR was not receiving the maximum amount in the Mel Noland Woodland Incentives Fund as allowed under State law. Based on our review, we were able to substantiate concerns raised in the allegation. Specifically, we noted that DNR did not use available information to ensure the Comptroller of Maryland (COM) transferred certain required revenue into the Fund. Our analysis disclosed that for fiscal years 2020 to 2023 the COM did not transfer \$430,225 of the \$706,715 it should have under State law."

<https://dls.maryland.gov/pubs/prod/NoPblTabPDF/DNR25.pdf>

Consequently, the State Auditor recommended that DNR "(1) ensure the Comptroller deposits the correct amount into the Fund going forward, and (2) work with the Comptroller to recover the \$430,225 in funds."

DNR concurred with the State Auditor's findings and committed to comply by December 31, 2025.

Given the State Auditor's findings about the \$430,225 shortfall during the fiscal year 2020 to 2023 period, it is fair to ask how much more has the Fund been shortchanged over the past 39 years, aka 1986 through 2025, to the detriment of sustainable forestry management? A review of Maryland's nationally acclaimed **Sustainable Forestry Act of 2009** (Chapter 175) declares the importance of sustainable forestry management to the Chesapeake Bay restoration effort and outlines responsive strategies via the Fund.

https://mgaleg.maryland.gov/2009rs/chapters_noln/Ch_175_sb0549T.pdf

IN CLOSING, AFI recognizes that Maryland is facing budgetary challenges and is not advocating for full retroactive reimbursement to the Fund, notwithstanding the \$430,225 sought by the State Auditor. *However, it would be helpful to have an accurate accounting of this four-decade shortfall for reasons self-evident.* AFI sees enactment of SB 257 as a warranted measure of accountability, long overdue in the eyes of Maryland's forest community and, hopefully, the 2026 Maryland General Assembly.



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Position: INFO



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

February 10, 2026

BILL NUMBER: SENATE BILL 257 – FIRST READER

SHORT TITLE: MEL NOLAND WOODLAND INCENTIVES AND FELLOWSHIP FUND - REPORTING

DEPARTMENT'S POSITION: LETTER OF INFORMATION

EXPLANATION OF DEPARTMENT'S POSITION

Senate Bill 257 would impose new reporting requirements that would require the Department of Natural Resources (DNR) to obtain and reconcile financial information from multiple external entities.

Over the past several months, DNR has worked extensively with the Revenue Accounting Division (RAD) of the Comptroller's Office and Maryland Department of Assessments and Taxation (SDAT) to investigate the audit finding from DNR's most recent audit report from the Office of Legislative Audit (OLA). DNR worked with both agencies to understand the process of preparation and calculation of SDAT's annual reporting and RAD's collection and distribution of the agricultural transfer tax attributable to woodland properties.

SDAT issues an annual report on woodland property transfers by county. Each county collects agricultural land transfer tax and remits a portion of the taxes collected to the Comptroller's office. The amount remitted is dependent upon numerous factors, including whether or not the county has a certified Maryland Agricultural Land Preservation Foundation (MALPF) program. The Comptroller then deposits the amount collected from the counties annually into the Mel Noland Woodland Incentives and Fellowship Fund, up to a maximum amount of \$200,000.

DNR, SDAT, and the Comptroller's office are considering ways to improve the coordination between the three agencies and the local county collection offices. Updated guidance on how to accurately complete the associated forms and tax remission might be beneficial. We also discussed potentially seeking a new version of the Comptroller's form to more clearly identify what percentage of the total agricultural land transfer tax collected by each county is being remitted. Implementing these improvements would help to resolve the procedural uncertainties that formed the basis of the OLA finding, and discussions around potential improvements will continue.

The bill expands an existing annual report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee to include: (1) the amount of agricultural land transfer tax proceeds attributable to transfers of entirely woodland parcels that were distributed to the Fund during the preceding fiscal year; and (2) any uncertainties regarding the total amount of proceeds required to be

Contact: Lydia McPherson, Director, Legislative and Constituent Services
lydia.mcpherson1@maryland.gov ♦ 410-260-8113 (office) ♦ 443-875-7785 (cell)

distributed to the Fund, including the actions necessary to resolve those uncertainties. The department would need to rely heavily on information from our sister agencies to meet this reporting requirement.

BACKGROUND INFORMATION

The Mel Noland Woodland Incentives and Fellowship Fund (the Fund) supports the Woodland Incentives Program, associated cost-share assistance, and the Mel Noland Fellowship Program. The Fund is supported by proceeds from the agricultural land transfer tax attributable to transfers of parcels that are entirely woodland with an annual cap of \$200,000.

Current law requires the Department of Natural Resources (DNR) to submit an annual report to the General Assembly regarding the use of funds credited to the Fund. SB 257 expands this reporting requirement to include detailed information on the amount of agricultural land transfer tax proceeds distributed to the Fund during the prior fiscal year, as well as an explanation of any uncertainties related to the amount required to be distributed.

BILL EXPLANATION

SB 257 requires DNR, on or before September 30 of each year, to report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee on:

1. The amount of agricultural land transfer tax proceeds attributable to transfers of entirely woodland parcels that were distributed to the Fund during the immediately preceding fiscal year; and
2. If the Department is uncertain about the total amount of proceeds required to be distributed to the Fund, a description of those uncertainties and the actions required to resolve them.