

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 64 (Senator Colburn, et al.)

Economic and Environmental Affairs

Referred to Environmental Matters

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Forest Conservation

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This amended bill authorizes the Department of Natural Resources (DNR) to establish fees to cover the costs associated with the Forest Conservation Act in jurisdictions without an approved forest conservation program. The bill includes provisions for local forest mitigation banks as an off-site planting alternative. DNR must develop procedures for establishing forest mitigation banks, including criteria for tracking, crediting, maintaining, bonding, and reporting mitigation bank activities. In specified situations, data collection requirements for forest stand delineation would be reduced.

The bill establishes definitions and requirements for “linear projects” to include utility rights of way. The bill also alters the preferred sequence for afforestation and reforestation. It includes coastal bay areas and their buffers as priority areas for retention and reforestation. Reforestation or afforestation must be completed within two years or three growing seasons (rather than one year or two growing seasons) before the money paid into the Forest Conservation Fund is returned to the person who provided the money to be used for specified on-site tree planting. Provisions are made to allow DNR or the local jurisdictions to review sites both inside and outside the Critical Area under a single forest protection standard. Finally, the bill provides that the Advisory Group on Forest Conservation will be reinstated and will serve through May 31, 1999.

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Fiscal Summary

**State Effect:** Indeterminate minimal special fund revenue increase beginning in FY 1997. Potential indeterminate effect on special and general fund expenditures.

**Local Effect:** Potential indeterminate effect on expenditures. Potential minimal increase in revenues.

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## Fiscal Analysis

**State Revenues:** The Department of Natural Resources advises that it could institute a \$100 fee to review a private developer's site plan in local jurisdictions without a forest conservation program in effect. The fee would be charged to the developer. This could increase Forest Conservation Fund revenues depending upon the number of reviews conducted each year. DNR estimates revenues for fiscal 1997 would be less than \$1,000. In the out-years, fewer reviews are anticipated by DNR as local forest conservation programs are adopted.

Revenues could increase through the creation of the forest mitigation bank. Should there be a large demand for DNR services in acting as a clearinghouse for mitigation banking credits, it is possible that DNR could institute a "brokerage fee" to cover these services. Any such increase is expected to be minimal.

**State Expenditures:** There could be a minimal increase in expenditures for overseeing the mitigation banking system which could be offset by fee revenues, as discussed above. Additionally, the bill reinstates the Advisory Group on Forest Conservation. It is assumed that group members would be eligible for expense reimbursements according to the standard State travel regulations. Any such expenditures could be handled with the department's existing budgeted resources. These expenditures cannot be covered, however, by the Reforestation Fund.

DNR estimates that the reduction in required data collection in specified instances could lead to a minimal reduction in expenditures on the Forest Conservation Program. The Department of Fiscal Services (DFS) advises that it is unclear if these expenditure reductions would result in direct cost savings, or if these resources would be directed to other lawful purposes.

The provision extending the retention of funds to be used for reforestation or afforestation is not expected to affect the expenditure of these revenues, as these funds are currently being utilized within the required time frame. The extension would allow more long-term projects to be initiated using these funds.

**Local Revenues:** Revenues could increase for those local governments which create forest mitigation banks, should the local governments institute a "brokerage fee" similar to that discussed above. Any such increase is expected to be minimal.

**Local Expenditures:** Possible expenditure reduction due to data collection streamlining, as discussed above. However, administrative costs for overseeing the mitigation banks could cause a minimal increase in expenditures. This amount could be offset by fees charged for services.

In addition, local governments would incur costs due to amendment review, advertisement, and public hearings. Calvert County reports that this could cost up to \$3,000. However, this expenditure could be reduced if other changes were to be made at the same time, such as through a review of the jurisdiction's comprehensive plan.

The provision extending the retention of funds to be used for reforestation or afforestation is not expected to affect the expenditure of these revenues, as discussed above in the State Expenditures section.

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**Information Source(s):** Department of Natural Resources, Department of Fiscal Services, Baltimore City, Talbot and Allegany counties

**Fiscal Note History:** First Reader - January 25, 1996  
ncs Revised - Senate Third Reader - March 29, 1996

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