

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 407 (Garrett County and Allegany County Delegations)
Environmental Matters Referred to Budget and Taxation

Forest or Park Reserve Fund - Distributions to Counties

This amended bill provides that Garrett County must receive at least \$400,000 and Allegany County must receive at least \$100,000 from the State Forest or Park Reserve Fund each year.

Fiscal Summary

State Effect: Potential indeterminate increase in special fund expenditures; revenues would not be affected.

Local Effect: Potential indeterminate increase in revenues; expenditures would not be affected.

Fiscal Analysis

Background: Revenues raised at State forests and parks are deposited in the Forest or Park Reserve Fund, and are used for the operation and maintenance of these facilities. In addition, a portion of the fund goes back to the counties based on the revenues raised in each county. The county grant is either 15% or 25% depending upon whether the State owns more or less than 10% of the land in that county. Currently, the State owns more than 10% of the land only in Allegany and Garrett counties, which therefore qualify for the 25% grant.

State Effect: Garrett County receives a much higher proportion of its revenues through timber sales than Allegany County, which relies more heavily on forest and park attendance and fees. **Exhibit 1** shows the grants distributed in the two counties in fiscal 1993, 1994, and 1995.

Exhibit 1
State Forest and Park Reserve Fund Distribution to Allegany and Garrett Counties

County	FY 1993	FY 1994	FY 1995
Allegany	\$105,900	\$119,200	\$111,600
Garrett	\$355,600	\$454,400	\$411,800

Source: Department of Natural Resources

As shown above, revenues to the two counties are not stable. To the extent that revenues in coming years are significantly lower than \$400,000 in Garrett County or \$100,000 in Allegany County, State expenditures on county grants would increase. For example, if forest and park revenues in Garrett County were only \$1 million, the normal 25% distribution would be \$250,000. Under this bill, the State instead would have to pay \$400,000; an increase in expenditures of \$150,000.

However, in most years it is expected that revenue attainments would exceed the minimum levels and no additional expenditures would result.

Local Effect: As discussed above, local revenues in Garrett and Allegany counties could increase significantly.

Information Source(s): Department of Natural Resources; Garrett, Allegany, and Washington counties; Department of Fiscal Services

Fiscal Note History: First Reader - February 12, 1996
 ncs Revised - House Third Reader - March 18, 1996

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