

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE**Revised**

House Bill 451 (Chairman, Appropriations Committee)
(Departmental - Natural Resources)

Appropriations

Forests and Parks - Program Open Space - Funds

This departmental bill establishes a Program Open Space Contingency Fund within the Department of Natural Resources. The amount of the fund cannot exceed \$250,000. The fund is intended to supplement an existing appropriation for a capital project and to undertake critical maintenance projects. The Department of Natural Resources may request the Board of Public Works to authorize an expenditure from the fund if: (1) all reasonable attempts to reduce the cost of the capital project have been made; (2) no practical alternative exists for securing funding to complete the capital or critical maintenance project; and (3) the requested funding does not increase the scope of the capital project. The Department of Natural Resources must provide written notice to the budget committees on the planned use of the funds prior to seeking approval from the Board of Public Works. The Secretary of Natural Resources must report annually to the General Assembly on the use of the fund. This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: None. Requiring unexpended Program Open Space (POS) appropriations earmarked for capital projects to be deposited in a contingency fund would not directly affect State finances. However, it may alleviate the need to use construction contingency funds from the Department of General Services to complete POS capital projects when funding shortfalls occur.

Local Effect: None.

Small Business Effect: The Department of Natural Resources has determined that this bill has a meaningful impact on small businesses (attached). Legislative Services disagrees with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: Beginning in fiscal 1991, up to 25% of the transfer tax revenue allocated for the State's share of POS may be used for capital development projects on lands owned by the Department of Natural Resources. Unexpended balances from previous authorized projects remain in the POS fund until the funds are reappropriated. Currently, unexpended balances from prior capital improvement projects total approximately \$500,000. This bill would transfer up to \$250,000 of these funds to the Program Open Space Contingency Fund, for the purpose of supplementing an existing capital project appropriation and undertaking critical maintenance projects. Currently, the Department of Natural Resources has to request funding from the construction contingency fund to complete capital projects when funding shortfalls occur.

Small Business Effect: Because the total proposed fiscal 1999 State capital budget totals \$1.8 billion and because unexpended POS capital funds could have been reappropriated to other POS capital projects absent this legislation, an additional \$250,000 in POS capital expenditures would have only a minimal impact on small businesses.

Information Source(s): Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 1998
tlw Revised - House Third Reader - March 30, 1998

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