

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 795 (Senator Ruben)

Budget and Taxation

Shore Erosion Control Construction Loan Fund

This bill provides that the Shore Erosion Control Construction Loan Fund can finance structural as well as non-structural erosion control projects. Current law provides that these funds are restricted to structural erosion control projects.

The bill takes effect June 1, 1998.

Fiscal Summary

State Effect: None. Total Shore Erosion Control Construction Loan Fund revenues and expenditures would not change. The bill's requirements could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Background: The Shore Erosion Control Program was established in 1968 to provide technical and financial assistance to property owners with shoreline or streambank erosion problems. The Shore Erosion Control Construction Loan Fund was created in 1971 to provide loans to property owners in support of the design and construction of erosion control projects.

The Department of Natural Resources (DNR) has conducted two different erosion control operations since fiscal 1985, the structural projects loan program and the non-structural

projects matching-grant program. The structural shore erosion control program was discontinued in fiscal 1996 as part of departmental reorganization. Beginning in fiscal 1997, DNR has targeted its resources on the existing non-structural erosion control program. According to the department, non-structural projects that use marsh vegetation along tidal shorelines and natural materials along streambanks have proven to provide greater benefits for the environment, and are more cost effective.

The non-structural erosion control program has been funded with general funds, Waterway Improvement funds, and Shore Erosion Control Construction funds. However, current law provides that the Shore Erosion Control Construction Fund is restricted to funding only structural erosion control projects. This legislation allows DNR to continue using the Shore Erosion Control Construction Loan Fund for non-structural erosion control projects.

DNR has a priority list of approximately 150 applicants for erosion control loans, and expects to provide loans to 25-30 per year, protecting approximately two miles of shoreline and streambanks.

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

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