

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1038 (Delegate Bozman. *et al.*)

Environmental Matters

Natural Resources - Woodland Incentive Program - Fees

This bill prohibits the Department of Natural Resources (DNR) from charging a landowner a fee of more than \$10 per acre during a six-month period, for cost-share or technical assistance to landowners implementing approved forestry practices in conjunction with the Woodland Incentive Program. The bill, specifies however, the fees for the following services: (1) plan preparation; (2) plan inspection; (3) equipment rental for the purpose of laying bedding; and (4) planting site exams.

Fiscal Summary

State Effect: Potential loss of up to \$76,900 annually in Woodland Incentive Fund revenues. Potential indeterminate loss of federal matching funds.

Local Effect: None.

Small Business Effect: Potential indeterminate impact on small business.

Fiscal Analysis

Background: The Woodland Incentive Program was established to foster and encourage the development, management, and protection of the nonindustrial private woodlands of the State. Landowners who participate in the Woodlands Incentive Program are eligible for an agricultural land use tax assessment.

State Effect: Currently, DNR charges fees to landowners for providing cost-share and technical assistance in conjunction with the Woodland Incentive Program. DNR provides on average approximately 450 new or revised plans covering 25,000 acres annually. DNR charges a coordinating fee of between \$3 to \$6 per acre for spraying and tree planting. The

bill prohibits DNR from charging more than \$10 for these services. These fees are not likely to change as a result of the bill. The bill will reduce other fees that DNR charges landowners for this assistance. The following table details the other fee changes.

| | Current Fee | Proposed Fee |
|-------------------------------------|---------------|---------------|
| Plan Preparation (5-25 acres) | \$175 | \$25 |
| Plan Preparation (26-50 acres) | \$200 | \$50 |
| Plan Preparation (51 or more acres) | \$225 | \$75 |
| Plan Inspection | \$100 | \$25 |
| Equipment Rental | \$40 per acre | \$15 per acre |
| Planting site exams | \$30 per exam | \$15 per exam |

Reducing the fees charged to landowners for providing technical assistance could result in a loss of approximately \$76,900 annually in funds for the Woodland Incentive Fund. DNR is unable to determine the exact amount of acreage that could be affected by the bill, therefore the amount of the revenue loss is an approximation. In any event, the bill will decrease the amount of money that DNR charges for services. This fund is used to provide cost-share money to landowners who are implementing approved forestry practices for participation in the Woodland Incentive Program. It is also possible that DNR could lose an indeterminate amount of federal matching funds for the Woodland Incentive Fund as well.

Small Business Effect: To the extent that the reduction of fees for technical assistance causes more landowners to seek these services from the State, private forestry consultants could be adversely impacted. Landowners paying the less expensive fees charged by the State, rather than more expensive fees charged by private sector forestry consultants, would have reduced costs.

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

Fiscal Note History: First Reader - February 23, 1998

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