

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE  
 Revised

House Bill 1183 (Washington County Delegation and Frederick County Delegation)  
 Environmental Matters

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South Mountain Battlefield

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This bill requires the Department of Natural Resources (DNR) to manage the development and operation of the South Mountain Battlefield. DNR must exercise the same powers of adopting regulations and managing the battlefield that are exercised for a State park and that are consistent with the historic significance of the battlefield.

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Fiscal Summary

**State Effect:** Expenditure increase of \$652,400 in FY 2001 to establish the State battlefield. Future year estimates are annualized, adjusted for inflation, and reflect ongoing operating expenses including capital costs through FY 2003. Potential offsetting increase in special fund revenues beginning in FY 2002 or FY 2003 related to service charges and, if instituted, concessions. Potential increase in general fund revenues if fee revenues are collected in excess of operating costs. Potential increase in special fund revenues from other sources, such as federal funds and private contributions.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Revenues	-	-	-	-	-
Expenditures	652,400	669,300	890,422	554,100	568,500
Net Effect	(\$652,400)	(\$669,300)	(\$890,422)	(\$554,100)	(\$568,500)

Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

**Local Effect:** Increase in revenues for Frederick and Washington counties.

**Small Business Effect:** Potential meaningful.

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Analysis

**Bill Summary:** The South Mountain Battlefield must encompass the property owned by the State along South Mountain between the northern portion of Washington Monument State Park in Washington and Frederick counties and the property near the Town of Brownsville, south of Gathland State Park in Washington County. Subject to the availability of funds, the Governor must appropriate the necessary funds in the State budget each year to DNR for the construction, operation, maintenance, and administration of the battlefield. DNR may set and charge fees based upon the approximate cost of operating the battlefield to cover the cost of operating the battlefield. Any excess revenue at the end of a fiscal year must be remitted to the general fund.

**Current Law:** Any money obtained from State forest reserves, State parks, scenic reserves, parkways, historic monuments, and recreation areas, together with specified fines, must be paid into the Forest or Park Reserve Fund. Each county in which any forest or park reserve is located must be paid annually out of the fund 15% of the revenue derived from the forest or park reserve located in that county.

**Background:** On September 14, 1862, the Union and Confederate armies fought a major battle along a seven mile stretch of South Mountain. The battlefield has been recognized as one of the 11 most endangered historic places in America for 2000. House Joint Resolution 12 of 1999 established a South Mountain Battlefield Historic Tourism Initiative Task Force to study and evaluate the feasibility of establishing a State park at South Mountain. This legislation is a direct result of the task force's recommendations.

The task force, in its January 2000 report to the General Assembly and the Governor, recommended that the battlefield begin as a park with a scope and operating budget similar to the Monocacy National Battlefield. As visitation increases, the task force indicated that a facility that provides a level of service in between that of the Monocacy National Battlefield and the Antietam National Battlefield may be desirable. The Monocacy National Battlefield, not operated on a full-time basis, is staffed by two interpretive rangers, one law enforcement officer, and four summer seasonal rangers. It operates on an annual budget of approximately \$420,000. Antietam National Battlefield, which is closed only on two holidays, employs 34 full-time staff, four seasonal interpretive rangers, and a substantial number of unpaid volunteers. It operates on an annual budget of approximately \$2 million.

**State Fiscal Effect:** Expenditures could increase by an estimated \$652,400 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring two naturalists, two park technicians, and two park rangers to staff the battlefield, as

recommended by the task force. It includes salaries, fringe benefits, seasonal labor, one-time start-up costs (capital costs to upgrade museum and facilities, the purchase of a maintenance vehicle, and the purchase of Civil War period items), and ongoing operating expenses, including the rental of specialized equipment and contractual services for janitorial and repair services. Estimates of equipment needs and ongoing expenditures are based on three-year averages from the South Mountain Recreation Area, a cluster of existing State parks on the Washington County-Frederick County border.

Salaries and Fringe Benefits	\$164,400
Seasonal Labor (no benefits)	62,000
Capital Costs - Museum/Facility Upgrades	241,000
Fuel and Utilities	23,600
Automobile Operations	25,100
Contractual Services	15,600
Supplies and Equipment	116,900
Other Operating Expenses	<u>3,800</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$652,400</b>

Future year expenditures reflect (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses. In fiscal 2002, the estimate includes capital costs for museum upgrades (\$142,000) and the purchase of a maintenance vehicle (\$34,300), a patrol vehicle and emergency equipment (\$34,000), and office equipment (\$13,700). In fiscal 2003, the estimate includes capital costs for additional camping accommodations at Greenbriar State Park to accommodate battlefield visitors (\$350,000) and the purchase of three Civil War period canons (\$36,000) and maintenance equipment (\$46,000). In fiscal 2004 and fiscal 2005, no capital costs are anticipated, but the estimate includes \$41,000 to purchase additional equipment and \$41,000 to replace equipment.

The estimate does not include any costs related to the task force's "vision for the future" of the State battlefield, including: (1) hiring a permanent historian and permanent programming staff; (2) establishing an off-site museum; (3) establishing an off-site visitor center and related facilities; and (4) developing an orientation film. Any such costs are speculative, and will depend largely on the demand for services and level of visitation. Accordingly, any such costs cannot be reliably estimated at this time.

The bill requires the Governor, subject to the availability of funds, to appropriate the necessary funds in the State budget each year to DNR for the construction, operation, maintenance, and administration of the South Mountain Battlefield.

DNR advises that it expects to charge a visitor's fee of approximately \$2 to \$3 per person once the museums and other facilities at the battlefield are operational. At the earliest, this is not likely to occur until fiscal 2002 or fiscal 2003. Revenues from the fee will depend on the number of visitors. In 1999, approximately 280,000 people paid to enter the visitor's center at Antietam National Battlefield. The National Park Service estimates that as many as 700,000 people may tour portions of that battlefield that are not service fee areas each year. If the State battlefield attracts 280,000 visitors annually, fee revenues could total an estimated \$560,000 to \$840,000 annually. It is unlikely, however, that visitation levels will be that high, at least during the first several years. Additional revenue could be generated if the State establishes concessions at the battlefield.

Pursuant to current law, 15% of any revenues collected would be remitted to Frederick and Washington counties. To the extent that fee revenues exceed operating costs, general fund revenues would increase accordingly. It is assumed that the amount paid into the general fund would be based on any net revenues after county remittances are made.

The task force also identified other possible revenue sources such as: (1) rebates from Frederick and Washington counties from the revenue they receive pursuant to the Forest or Park Reserve Fund; (2) the Federal Heritage Area Program; (3) the American Battlefield Protection Program; (4) the Federal Transportation Enhancement Program; and (5) corporate sponsorship. Any such revenues are speculative and cannot be estimated at this time.

**Local Fiscal Effect:** Frederick and Washington county revenues would increase by an indeterminate amount pursuant to the current requirement that 15% of revenues paid into the Forest or Park Reserve Fund must be remitted to the counties in which those funds are generated. Any such increase depends on the amount of eligible revenue generated at the new battlefield and cannot be reliably estimated at this time. In the January 2000 report of the South Mountain Battlefield Historic Tourism Initiative Task Force, the task force outlined one battlefield funding scenario in which the counties would rebate those funds to the State. However, subsequent legislation would be needed to require the counties to do that.

**Small Business Effect:** To the extent that the establishment of the State battlefield attracts additional visitors to the State, small businesses, particularly those in Washington and Frederick counties, could benefit. The Maryland Office of Tourism Development reports that travelers who visit historic sites comprise approximately 12% of the destination/overnight trips to the State. If DNR permits privately-owned concessions or tour guides to operate in the State battlefield or at any off-site facilities, those entities could also benefit.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

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