

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 46 (Delegate D'Amato. *et al.*)

Environmental Matters

Maryland Millennium Water Trails Program

This bill establishes a Maryland Millennium Water Trails Program in the Department of Natural Resources (DNR) to develop State-designated recreational water trails. The bill creates and describes the composition and duties of a steering committee and authorizes the development of facilities, a marketing strategy, and an adoption program for water trail sites.

The bill also provides for the designation of water trails eligible for State support and local tax incentives as well as immunity from civil liability for landowners and operators.

The bill takes effect July 1, 2000. The bill provides that the steering committee will terminate on June 30, 2002.

Fiscal Summary

State Effect: General fund expenditure increase of \$83,300 in FY 2001 to implement the water trails program. Future year expenditures reflect annualization, are adjusted for inflation, include ongoing consultant services in FY 2002 and, beginning in FY 2003, include contractual services to publish guidebooks and maps. Future year estimates do not include any additional costs that DNR could incur to construct and maintain facilities or to purchase land needed for water trail sites. Any such costs could be significant.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$83,300	\$109,800	\$136,800	\$141,300	\$145,900
Net Effect	(\$83,300)	(\$109,800)	(\$136,800)	(\$141,300)	(\$145,900)

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

Local Effect: Potential decrease in county and municipality real property tax revenues.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: This bill establishes a Maryland Millennium Water Trails Program in DNR to develop state-designated recreational water trails. The bill:

- directs DNR to establish a Water Trails Steering Committee (the committee);
- describes the composition of the committee;
- directs the committee to:
 - study and survey water trails already under development;
 - examine successful water trail programs in other states;
 - perform baseline studies on the feasibility of establishing water trails;
 - create a long-term plan for a statewide water trail program;
 - study access needs and develop access plans for proposed and existing water trails;
 - examine the feasibility of linking proposed water trails with existing and developing hiking and biking trails;
 - determine the feasibility of creating central water trail hubs;
 - recommend legislation and regulations needed to administer the water trails program, including future management options;
 - submit a preliminary report of its findings to the General Assembly and Governor on or before December 1, 2000; and
 - submit a final report of its findings to the General Assembly and the Governor on or before December 1, 2001.
- requires the Secretary of Natural Resources to chair the committee;
- requires DNR to provide staff support for the committee with assistance from the Department of Business and Economic Development (DBED);
- authorizes DNR to plan, construct, and maintain facilities;
- authorizes DNR to develop agreements with federal, State, or local government units and nongovernmental entities;
- authorizes DNR to develop and manage an adoption program of water trail sites;
- authorizes DNR to jointly develop an information dissemination and marketing strategy with DBED;
- authorizes DNR to adopt regulations necessary to implement the above provisions;
- requires the Governor, upon recommendation of the Secretary of DNR, to officially designate and name particular water trails eligible for State support and county or municipal tax incentives;
- provides landowners and operators of water trails with immunity from civil

- liability; and
- authorizes the governing body of a county or municipal corporation to grant a property tax credit for an easement allowing access to a water trail.

Current Law: No such program exists in statute.

Background: The Maryland Greenways Commission has been working since 1990 to establish a statewide network of trails and natural corridors. In response to interest by local governments and the public, the Greenways Commission added water trails to its program in 1999. According to DNR, Greenways Commission staff, in cooperation with local governments, have created a water trails map and will be publishing a Greenways, Blueways, and Green Infrastructure Atlas in the spring of 2000.

DNR staff is currently engaged in a number of activities related to water trails, including the development of an inventory and statewide map of existing and planned water trails, the establishment of a pilot water trail project at Jane's Island State Park, marketing of water trail opportunities, and education and outreach activities.

At the federal level, the budget for federal fiscal 2000 includes \$600,000 for the United States National Park Service to establish a Chesapeake Gateways and Water Trails program.

State Fiscal Effect: General fund expenditures will increase beginning in fiscal 2001 to implement the new water trails program. In fiscal 2001, general fund expenditures could increase by an estimated \$83,300, which accounts for the bill's July 1, 2000 effective date. This estimate reflects the cost of hiring one natural resource planner and 1/2 administrative aide to: (1) staff the committee; (2) provide program administration; (3) examine, with assistance from existing staff, programs in other states; (4) prepare, with assistance from existing staff, a long-term plan for a statewide program; (5) study access needs and develop access plans; (6) determine the feasibility of creating central water trail hubs; (7) recommend legislation and regulations; (8) assess the ecological impacts of increased recreational use and facilities on waterways; and (9) prepare the required reports. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes \$19,500 for a consultant to travel to potential water trail sites to perform baseline feasibility studies, including an analysis of: (1) potential routes; (2) existing property ownership; and (3) required facilities.

Out-year estimates of general fund 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 only, the estimate includes \$26,300 in ongoing consultant services.

Beginning in fiscal 2003, the estimates include \$50,000 in contractual services to publish guidebooks and maps of water trails. Because it is unknown to what extent DNR will require additional facilities or land to establish water trails, out-year estimates do not include any future costs that DNR could incur to construct and maintain facilities or to purchase land, as authorized by the bill. Any such costs could be significant.

DBED could handle any increase in workload with existing resources.

Local Revenues: The magnitude of any decrease in property tax revenues depends on the extent to which the counties and municipalities decide to grant this credit. Because the amount and duration of the tax credit as well as the criteria and qualifications necessary to receive the credit would be determined at a later date, the bill's effect on revenues cannot be reliably estimated at this time.

Small Business Effect: The bill will not directly affect small businesses. However, some small businesses located near designated water trails, such as restaurants, outfitters, and watercraft or equipment vendors, might benefit from an increase in demand for their services. Some small businesses benefit from increased activity along newly established land-based trails, and DNR expects a similar effect along water trail courses. DNR advises that the new water trail at Jane's Island, for example, increased the revenues for a local kayak outfitter by more than \$4,000 during the summer and fall of 1999.

Additional Information

Prior Introductions: None.

Cross File: SB 30 (Senator Astle) - Economic and Environmental Affairs.

Information Source(s): Department of Natural Resources, Department of Business and Economic Development, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2000
bc/jr

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