

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

House Bill 1379 (Delegate Guns)

Environmental Matters

Economic and Environmental Affairs and
Budget and Taxation

Department of Natural Resources - Maryland GreenPrint Program

This bill establishes a Maryland GreenPrint Program in the Department of Natural Resources (DNR). The stated purpose of the program is to create a statewide green infrastructure network by acquiring property and property interests, including easements, in a manner that compliments existing conservation programs. The program will be funded as provided in the State budget. With specified exceptions, DNR may use program funds to acquire real property interests in the network and provide grants to local governments and land trusts to acquire real property interests in the network. DNR must identify areas that form the green infrastructure network, publish the results, and periodically review and update the identification of the network. DNR must submit plans for any purchase involving over \$2 million to specified committees of the General Assembly for review and comment. DNR must report on expenditures made through the program to the Governor and the General Assembly by November 1 of each year. DNR may adopt regulations to implement the bill.

The bill takes effect July 1, 2001 and sunsets June 30, 2006.

Fiscal Summary

State Effect: The FY 2002 budget includes \$30 million in general obligation bonds, \$5 million in PAYGO general funds, and \$850,000 in general funds for the GreenPrint Program. General fund expenditures to operate the program would increase by \$1.22 million in FY 2002 (\$371,800 more than the budgeted amount). Debt service expenditures would be an estimated \$1.7 million in FY 2002. Future year estimates are annualized, adjusted for inflation, and reflect increasing operating expenses and debt service payments. The Governor's five-year capital budget plan includes \$25 million in

GO bonds in FY 2003 and \$25 million in PAYGO general funds annually thereafter through FY 2006.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Bond Rev.	\$30,000,000	\$25,000,000	\$0	\$0	\$0
GF Expenditure	1,221,800	1,183,400	1,199,400	1,215,700	1,232,200
GF/SF Exp.	1,650,000	3,025,000	4,665,500	6,032,600	6,032,600
Bond Exp.	30,000,000	25,000,000	0	0	0
PAYGO GF Exp.	5,000,000	0	25,000,000	25,000,000	25,000,000
Net Effect	(\$7,871,800)	(\$4,208,400)	(\$30,864,900)	(\$32,248,300)	(\$32,264,800)

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

Local Effect: Potential significant increase in local grants for the acquisition of real property interests in the green infrastructure network.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Twenty-five percent of the total funds appropriated in the annual State budget for the program must be spent on the acquisition of easements on agricultural land within Maryland Agricultural Land Preservation Foundation (MALPF)-approved districts that contain land within the network. Any such easements will be perpetual and may not be extinguished or released. Funds used to purchase agricultural land must be encumbered annually in accordance with MALPF procedures.

For purposes other than purchasing easements under MALPF, DNR must, to the extent possible, give priority in spending funds in counties where DNR holds a real property interest in less than 9% of land.

A property or property interest may not be acquired by use of State or local condemnation authority. A landowner who participates in the program may reserve the ability to engage in silviculture practices as provided by the bill. Unless each affected local government approves an acquisition of property or a property interest located within its jurisdiction, DNR may not utilize program funding related to an acquisition.

Current Law: Several existing programs, including Program Open Space, Rural Legacy, and MALPF, relate to the preservation of land.

Background: According to DNR, the program would provide funding for the acquisition, protection, and creation of a network of ecologically valuable lands in the

State. Acquisitions and easements would be targeted exclusively toward acquiring and filling gaps in key hubs and corridors. New computer-based assessment and targeting tools would be used to help identify the most strategic acquisitions. The five-year goal of the program is to protect 50,000 acres.

State Expenditures: The fiscal 2002 budget includes \$30 million in general obligation bonds and \$5 million in PAYGO general funds to acquire real property interests and to provide grants to local governments and land trusts under the GreenPrint Program. Of this amount, 25% of the funds (\$8.75 million) must be spent on agricultural land preservation easements, as required by the bill. Debt service payments would increase by an estimated \$1.7 million in fiscal 2002, assuming a 5.5% interest rate on the 15-year bonds.

The budget also includes \$850,000 in general funds for five contractual employees and operating expenses for the program. Legislative Services estimates, however, that general fund expenditures would increase by approximately \$1.22 million in fiscal 2002, \$371,800 more than the budgeted amount. This estimate reflects a 25% start-up delay and includes:

- \$141,500 in salaries and fringe benefits for one contractual project manager, one contractual services specialist, one contractual administrator, one contractual office clerk, and one contractual planner;
- \$711,500 in contractual services;
- \$106,500 in rent, storage, building and housing needs, signs, and gates;
- \$105,300 in equipment, including handheld GPS units, audio-visual equipment, data processing equipment, and office equipment;
- \$79,200 in vehicle purchases and operations;
- \$42,500 in communications and supplies;
- \$22,000 in travel, including in-State and out-of-State conferences;
- \$10,300 in training and staff development; and
- \$3,000 in fuel and utilities.

Future year estimates of operating expenditures are annualized and reflect: (1) three additional contractual employees in fiscal 2003; (2) 2.3% annual increases in contractual salaries, with 3.8% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

The Governor's five-year capital plan includes \$25 million in general obligation bonds in fiscal 2003 and \$25 million in PAYGO general funds annually from fiscal 2004 through fiscal 2006 for acquiring real property interests in the green infrastructure network and to provide grants to local governments and land trusts.

Debt service payments will total an estimated \$3.0 million in fiscal 2003, \$4.7 million in 2004, and \$6.0 million annually thereafter, assuming a 5.5% interest rate on the 15-year bonds.

Local Fiscal Effect: Local jurisdictions would be eligible for grants under the program for the acquisition of real property interests in the green infrastructure network. DNR did not provide any information relating to the amount of funds that would be provided to local jurisdictions under the program.

Small Business Effect: To the extent that any land trusts are considered small businesses, those entities would be eligible for grants to acquire real property interests in the green infrastructure network. Small businesses that own land in the green infrastructure network could be eligible to sell their land or easements on their land to the State, local governments, or land trusts pursuant to the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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