

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 867 (Delegate Montgomery, *et al.*)
 Environmental Matters

Natural Resources - Logging Impact Report

This bill requires the Department of Natural Resources (DNR), by October 1, 2005, and every three years thereafter, to submit a logging impact report to the General Assembly regarding the environmental impacts from logging activities on State forest reserves. The bill establishes requirements for the initial report and for subsequent reports.

Fiscal Summary

State Effect: General fund expenditure increase of \$225,000 in FY 2005 and \$75,000 in FY 2006 to prepare the initial report. Future year estimates reflect expenditures to conduct the first subsequent report. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	225,000	75,000	0	75,000	25,000
Net Effect	(\$225,000)	(\$75,000)	\$0	(\$75,000)	(\$25,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: DNR must promote, administer, and manage every State-owned or leased forest. According to DNR, all timber management operations on State forests, including harvesting, are conducted in accordance with a 10-year silviculture plan as well as an annual workplan that is reviewed by an interagency team and subject to public comment. The team visits proposed harvesting sites each year. The 10-year plan

outlines areas where timber management is allowed and areas where it is prohibited. Under the current plan governing the forests where most harvesting takes place (Pocomoke State Forest on the lower Eastern Shore, Savage River State Forest and Potomac/Garrett State Forest in Garrett County, and Green Ridge State Forest in Allegany County), about 50% of the acreage is identified as areas where timber management may not occur. According to DNR, those forests encompass about 128,000 acres. Over the last five years, on average 818 acres per year, or 0.6% of the total land area, have had some type of timber management conducted.

According to DNR, timber harvesting generates about \$2 million annually, which is paid into the State Forest or Park Reserve Fund. Each county in which any State forest or park reserve is located annually receives 15% of the revenue derived from the reserve located in that county. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the revenue derived from the reserve. After payments to counties, DNR uses revenues from the State Forest or Park Reserve Fund to support the operation of State forests and parks.

State Expenditures: General fund expenditures could increase by an estimated \$225,000 in fiscal 2005 and \$75,000 in fiscal 2006 to hire a consultant to conduct the research necessary to prepare the initial logging impact report. This estimate is based on DNR's experience in conducting similar studies under its wildlife management program. Future year estimates assume that the first subsequent report will cost approximately \$100,000 (\$75,000 in fiscal 2008 and \$25,000 in fiscal 2009).

Additional Comments: DNR advises that, even with a consultant, it would be difficult to complete the initial report in only one year.

Additional Information

Prior Introductions: None.

Cross File: SB 771 (Senator Pinsky) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 22, 2004
ncs/ljm

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