

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 57 (Chairman, Education, Health, and Environmental Affairs Committee)
 (By Request – Departmental – Natural Resources)

Education, Health, and Environmental Affairs

Environmental Matters

Hunting - Chesapeake Forest Lands

This departmental bill postpones the date by which the Department of Natural Resources (DNR) have open to public hunting specified properties within Chesapeake Forest. The bill extends the time frame by one year, from the start of the 2005-2006 hunting season to the start of the 2006-2007 hunting season.

The bill takes effect August 1, 2004.

Fiscal Summary

State Effect: Special fund revenues from Chesapeake Forest lease payments of \$88,000 in FY 2005 would continue, as would payments to counties from those revenues in FY 2006. Special fund expenditures for preparing the land to be opened for public hunting could decrease in FY 2005 and 2006 due to the extended time frame.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$88,000	\$0	\$0	\$0	\$0
SF Expenditure	(-)	(-)	0	0	0
Net Effect	\$88,000	\$0	\$0	\$0	\$0

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

Local Effect: Caroline, Dorchester, Somerset, Wicomico, and Worcester counties would continue to receive 15% of the State revenues generated by Chesapeake Forest lease payments, estimated at a total of \$13,200 in FY 2006.

Small Business Effect: DNR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Chapter 177 of 2002 simplified the hunting license and stamp structure within DNR and increased associated fees. Chapter 177 also stated that it is the intent of the General Assembly that DNR use special fund revenue generated as a result of the licensing fee increases, as appropriate, to open to public hunting at least half the total acreage that is leased for hunting to private individuals on the Chesapeake Forest Lands properties by the 2005-2006 hunting season. DNR must include in its annual report the progress made in public hunting opportunities.

All revenues generated from State forests and parks are 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 State forest or park reserve located in that county.

Background: Chesapeake Forest consists of 58,173 acres of State-owned forest land on the Eastern Shore. The lands were part of a 1999 divestment by the Chesapeake Forest Products Corporation. DNR purchased half of the land directly, while the Conservation Fund purchased the other half, transferring the land to the State in December 2000. Although Chesapeake Forest is State-owned, it is managed on a daily basis by a private forestry firm. The forest is governed by a sustainable management plan designed to meet environmental goals while contributing to the local economy.

Almost all of Chesapeake Forest is leased for hunting to private hunt clubs. When Chapter 177 was enacted, DNR indicated that, in order to open at least half the total acreage leased for hunting to private individuals by the 2005-2006 hunting season, it anticipated opening about 7,000 acres annually from fiscal 2003 through 2006.

Approximately 27,705 acres of the forest are slated to be opened for public hunting. As of the 2003-2004 hunting season, DNR had opened approximately 1,650 acres. DNR advises that, in order to open the rest of the acreage, DNR must paint and post 253 miles of State property boundary lines, install or refurbish 55 designated parking areas, install 200 standard farm-style gates and signs at access points, remove approximately 440 tons of trash, and dismantle and remove approximately 200 existing hunting structures. Because of the amount of work involved, DNR plans to have 16,400 acres opened by the 2005-2006 hunting season and to open approximately 11,000 acres by the start of the

next hunting season. This bill would accommodate this plan by extending the time frame established in Chapter 177.

State Fiscal Effect: Because this bill would allow for a one-year delay in the opening of acreage to public hunting, DNR could continue to lease the land to private hunt clubs; accordingly, special fund revenues from lease payments of approximately \$88,000 in fiscal 2005 would continue. This estimate is based on the acreage that could continue to be leased under the bill (11,000 acres) and assumes that lease payments average \$8 per acre.

Pursuant to statute governing the State Forest or Park Reserve Fund, 15% of the revenue generated from Chesapeake Forest lease payments is paid to the counties in which the forest is located (Caroline, Dorchester, Somerset, Wicomico, and Worcester counties). By allowing lease payments to continue for one additional year, payments to counties totaling an estimated \$13,200 in fiscal 2006 would continue as a result of the bill. (Although the revenues would accrue to the State in fiscal 2005, DNR advises that payments to counties are typically made at the beginning of the next fiscal year.)

DNR advises that, if it has extra time to prepare the land to be opened for public hunting, it could pursue low-cost approaches (such as using federal AmeriCorps crews) to complete portions of the less-specialized field work, allowing DNR to better utilize limited resources to retain contractors. Accordingly, the extended time frame would likely reduce the total costs of preparing the land to be opened for public hunting. A precise estimate of any decrease in special fund expenditures in fiscal 2005 and 2006 cannot be made at this time. It is assumed, however, that this cost savings would more than offset the continued payments to counties from the State Forest or Park Reserve Fund.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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