

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 69

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Natural
Resources)

Education, Health, and Environmental Affairs

Environmental Matters

Woodland Incentives Program - Prohibition on Use of Federal Funds - Repeal

This departmental bill repeals a condition that Woodland Incentives Program (WIP) applicants not receive or use federal funds for implementation of an approved practice on the same land described in the WIP application. However, the total amount of State and federal cost-share assistance an owner receives may not exceed 100% of the actual cost of the approved practice.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: The bill is not anticipated to have a significant impact on State operations or finances. However, to the extent allowing the use of federal funds decreases the demand for WIP funds, WIP funding availability increases.

Local Effect: None.

Small Business Effect: The Department of Natural Resources (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: Among other things, WIP applicants must submit a woodland management plan, application, and statement of intent to DNR. The application must provide specified information about the practice to be implemented, the approximate cost of the practice to be implemented, and the land upon which the practice is to be implemented. The statement of intent must affirm that the owner (1) intends to use the cost-share assistance for long-range timber growing and improvement; (2) is not receiving or using federal funds for implementation of an approved practice on the same land described in the application; and (3) has no knowledge of another application that is pending for cost-share assistance to be used on the land described in the application.

Background: WIP provides cost-share assistance to specified private forestland owners for tree planting, site preparation, and timber stand improvement practices. Cost-share assistance may not exceed (1) 75% of the actual cost incurred by the applicant; (2) \$5,000 per calendar year, except in specified circumstances; and (3) \$15,000 over a three-year period if DNR has approved a three-year plan for woodland resource development. The program is funded through the Woodland Incentives Fund, which receives specified agricultural land transfer tax revenues from woodlands. The fiscal 2010 budget includes \$205,000 for WIP cost-share assistance.

DNR advises that the bill will result in greater leveraging of federal funds, reduced State expenditures per applicant, and increased availability of financial assistance to landowners for forests in the State. Also, WIP may be able to engage and assist more landowners.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 12, 2010
mpc/lgc Revised - Enrolled Bill - April 30, 2010

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Woodland Incentive Program – Prohibition on Use of Federal Funds
- Repeal

BILL NUMBER: SB 69

PREPARED BY: Department of Natural Resources

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.