

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 727 (Delegate Luedtke, *et al.*)
 Environment and Transportation and
 Appropriations

Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland Outdoors Act)

This bill makes various changes to State law affecting the Maryland Park Service (MPS), parks in the State, and land conservation, relating to (1) funding for parks and other land conservation; (2) parks staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: State finances are significantly affected, as summarized in the table below and discussed and shown in more detail in the Analysis section. **This bill establishes mandated appropriations for FY 2024 and repeals mandated appropriations in FY 2024 through 2027 and in FY 2030 and 2031.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
GF Revenue	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
SF Revenue	(\$9.5)	\$152.3	(\$9.5)	(\$9.5)	(\$12.1)
GF Expenditure	\$0.6	\$171.4	(\$7.1)	(\$6.8)	(\$7.1)
SF Expenditure	(\$9.4)	\$52.4	\$40.7	\$30.6	(\$2.0)
Net Effect	(\$0.8)	(\$71.6)	(\$43.2)	(\$33.4)	(\$3.1)

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

Local Effect: Local government finances are affected, as discussed below.

Small Business Effect: Meaningful.

Analysis

Bill Summary: The provisions discussed below are numbered for purposes of reference in the State Fiscal Effect and Local Fiscal Effect sections of this fiscal and policy note.

Funding for Parks and Other Land Conservation

The bill makes the following changes relating to funding for parks and other land conservation:

- (1) ***Park System Critical Maintenance Fund*** – establishes a Park System Critical Maintenance Fund to address critical maintenance concerns on Department of Natural Resources (DNR)-managed park lands and requires an \$80.0 million general fund appropriation to the fund in fiscal 2024, which must be spent by July 1, 2026;
- (2) ***Park System Capital Improvements and Acquisition Fund*** – (1) establishes a Park System Capital Improvements and Acquisition Fund for capital improvements on DNR-managed park lands and land acquisition for parks; (2) requires a \$70.0 million general fund appropriation to the fund in fiscal 2024 (\$5.0 million for climate change mitigation infrastructure projects; \$5.0 million for historic preservation; \$20.0 million for transportation improvements; \$10.0 million for increasing water access; and \$30.0 million for land acquisition); and (3) authorizes the Governor, on or before June 30, 2022, to transfer \$60.0 million of the funds for Program Open Space (POS) State land acquisition in the transfer tax special fund (discussed below under Current Law) to the Park System Capital Improvements and Acquisition Fund;
- (3) ***Repeal of Appropriations for Park Development and Critical Maintenance*** – repeals requirements that general fund appropriations be made to the transfer tax special fund in the following amounts – \$6.0 million in each of fiscal 2024, 2025, and 2026, and \$4.0 million in fiscal 2027 – a total of \$22.0 million that otherwise would have been used for park development and critical maintenance on DNR-managed lands;
- (4) ***Repeal of Appropriations Distributed by Formula*** – repeals requirements that general fund appropriations be made to the transfer tax special fund in the following amounts – \$6,809,499 in fiscal 2024; \$37,986,900 by June 30, 2026; \$48,221,900 by June 30, 2030; and \$25,360,950 by June 30, 2031 – a total of \$118,379,249, which otherwise would have been distributed under the transfer tax formula (discussed below under Current Law) in the following total amounts: \$90,145,798 (76.15%) to POS; \$20,183,662 (17.05%) to the Maryland Agricultural Land

Preservation Foundation (MALPF); \$5,918,962 (5%) to the Rural Legacy Program; and \$2,130,826 (1.8%) to the Heritage Conservation Fund;

- (5) ***Accelerated Appropriation to MALPF*** – requires an \$18,564,469 appropriation to MALPF in fiscal 2024 (which is virtually equivalent to the \$20,183,662 in MALPF funding repealed above that otherwise would have been appropriated over a number of years, through fiscal 2031), minus MALPF’s share of \$9,496,725 (17.05% – \$1,619,192) in general funds that is included in the Governor’s proposed fiscal 2023 budget to satisfy one-quarter of the \$37,986,900 that is required under current law to be appropriated to the transfer tax special fund by June 30, 2026 (mentioned above));
- (6) ***Accelerated Appropriation to the Rural Legacy Program*** – requires a \$5,444,127 appropriation to the Rural Legacy Program in fiscal 2024 (which is virtually equivalent to the \$5,918,962 in Rural Legacy Program funding repealed above, minus the Rural Legacy Program’s share of \$9,496,725 (5% – \$474,836) in general funds that is included in the Governor’s proposed fiscal 2023 budget to satisfy one-quarter of the \$37,986,900 that is required under current law to be appropriated to the transfer tax special fund by June 30, 2026 (mentioned above));
- (7) ***Accelerated Appropriation for the Next Generation Farmland Acquisition Program*** – repeals required general fund appropriations of \$2.5 million in each of fiscal 2024, 2025, 2026, and 2027 to the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) for the Next Generation Farmland Acquisition Program (“Next Gen Program”), and instead requires a \$10.0 million general fund appropriation to MARBIDCO, for the Next Gen Program, in fiscal 2024; and
- (8) ***Charitable Funding*** – requires DNR to expand its work with park-focused organizations to leverage charitable funding for park enhancements.

Parks Staff and Volunteers

The bill makes the following changes relating to MPS staff and volunteers:

- (9) ***100 New Permanent Positions*** – requires DNR, by July 1, 2024, to increase the number of full-time employees in MPS by 100 permanent, classified positions (including 5 positions in the Engineering and Construction Unit, 5 positions in the Land Acquisition and Planning Unit, and 1 volunteer management program coordinator), with each position accompanied by a supplemental budget allocation to provide adequate support for each employee;

- (10) ***Staff Adequacy and Salary Reviews*** – requires the Department of Budget and Management (DBM) to (1) conduct a staff adequacy review of MPS every two years; (2) conduct a specified staff salary review of MPS every three years; and (3) report on the findings of the reviews;
- (11) ***Emergency Services Personnel Recognition and Related Benefits*** – (1) requires DNR to recognize MPS associates and forest rangers, park rangers, and wildlife rangers as emergency services personnel; (2) clarifies that park services associates, forest rangers, park rangers, and wildlife rangers are eligible for workers’ compensation benefits and expands all of the State’s existing occupational disease presumptions to park services associates, forest rangers, park rangers, and wildlife rangers; and (3) expands an existing State income tax subtraction modification (for pension income) for retired law enforcement, correctional officers, and fire, rescue, or emergency services personnel between the ages of 55 and 64 so that it also includes retired park services associates, forest rangers, park rangers, and wildlife rangers between those ages; and
- (12) ***Volunteer Management Program*** – requires DNR to implement a specified volunteer management program (managed by a volunteer program manager) to strategically manage volunteer services provided by individuals and State parks friends groups.

Management of Parks and Park Infrastructure

The bill makes the following changes relating to the management of parks and park infrastructure:

- (13) ***Asset Management and Facility Condition Assessment*** – requires DNR to coordinate with the Department of General Services (DGS) to (1) develop an electronic asset management system for its infrastructure, including a list of maintenance projects at each site and the status of each project; (2) develop a specified facility condition index assessment process for all MPS sites; and (3) establish a dedicated asset evaluation team to assess the condition of MPS sites and update individual facility condition indices on an ongoing basis;
- (14) ***Inventory Assessment and Maintenance Prioritization*** – requires DNR to (1) take inventory of all State land managed by the department; (2) develop a specified maintenance project prioritization process; (3) develop and publish on its website a list of maintenance projects in the State park system that are expected to cost more than \$25,000; and (4) when determining whether to repair or replace infrastructure with sustainable technology, consider how the replacement value of an asset will change if only sustainable technology is used, including any ongoing cost savings;

- (15) ***Systemwide Survey of Historical and Cultural Resources*** – requires DNR to conduct a systemwide survey of historical and cultural resources, including an estimation of restoration and maintenance costs, without delaying the preservation and restoration of historical and cultural resources while conducting the survey;
- (16) ***Five-year Capital Improvement Plan*** – requires DNR, by December 1, 2023, and every five years thereafter, to develop and publish a specified five-year Capital Improvement Plan for MPS, including specified information on critical maintenance projects and their prioritization;
- (17) ***Small Procurement Authority*** – increases the contract value threshold, from \$50,000 to \$100,000, below which DNR may award a procurement contract for capital projects or maintenance using the “small procurement” procurement method;
- (18) ***Parks and Recreation Commission*** – repeals the Park Advisory Commission and establishes a Parks and Recreation Commission – staffed by the Department of Legislative Services (DLS) – to provide oversight of MPS and its implementation of the bill, and to report to specified General Assembly committees by December 1, 2024, and each December 1 thereafter on the status of MPS and how the General Assembly can support MPS;
- (19) ***Comprehensive Long-Range Strategic Plan*** – requires DNR to develop and publish by December 1, 2023, and update every five years, a specified Comprehensive Long-Range Strategic Plan; and
- (20) ***Independent Study of Outcomes and the Visitor Experience*** – requires DLS to hire an independent consultant to conduct (and report on by December 1, 2023) a specified independent study of (1) whether MPS is producing outcomes consistent with its mission; (2) the visitor experience for State parks; and (3) how funding can be used to enable MPS to produce outcomes consistent with its mission.

New Parks/Amenities and Other Considerations

The bill makes the following changes relating to new parks/amenities and other considerations:

- (21) ***Freedman’s State Historical Park*** – requires DNR to (1) establish the Freedman’s State Historical Park as a partnership park (managed in partnership with a local government, bicounty agency, or nonprofit organization) that seeks to educate the public about and preserve and interpret the lives and experiences of Black Americans both before and after the abolition of slavery; (2) have the park consist

of properties – owned by the State and by a local government, a bicounty agency, or a nonprofit organization – in northeastern Montgomery County in or near the communities of Brookeville, Olney, Sandy Spring, Zion, and Laytonsville; (3) establish a specified stakeholder advisory committee to advise the department on the scope and management of the park; and (4) report to the General Assembly by January 1, 2023, on properties suitable for inclusion in the park and the funding needed to establish and promote the park;

- (22) ***Decision Making with Respect to New Parks and Amenities*** – requires DNR to (1) make decisions related to the establishment of State historical parks or other units that preserve and interpret the story of historically underserved, minority, and other underrepresented communities in coordination with the Parks and Recreation Commission and with input from groups active in the preservation of historical sites of underrepresented communities; (2) consider the cultural and ecological carrying capacities of State park areas when examining the development of new amenities in existing State parks; and (3) target the location and establishment of new parks and amenities toward areas that are identified by DNR’s park equity tool as in need of recreational opportunities or that would relieve overcrowding in existing State parks that have consistently had to close to the public due to capacity restrictions;
- (23) ***Accessibility*** – requires MPS to (1) adopt universal design principles in its programming and amenities to ensure maximum access by all people, including people with disabilities and seniors and (2) ensure that the MPS website and all other digital platforms adhere to Web Content Accessibility Guidelines 2.1 and Section 508 of the Americans with Disabilities Act; and
- (24) ***Climate Change and Local Water Quality*** – requires DNR to (1) recognize as a formal policy that the State’s forests, trees, and wetlands are a major tool for addressing climate change with regard to mitigation, adaptation, and resiliency and (2) require all MPS projects to contribute, to the extent possible, to the improvement of local water quality.

Current Law: Existing statute includes the following provisions that are relevant to the bill’s changes and/or changed by the bill (as described above):

- ***Statutory Role of the Department of Natural Resources*** – Statute requires DNR to promote, administer, and manage every State-owned or leased forest, park, scenic preserve, natural area, parkway, historic monument, and recreation area, and to administer every law and rule or regulation relating to forests, parks, scenic preserves, natural areas, parkways, historic monuments, and recreation areas.

- ***Transfer Tax Funding*** – The State transfer tax of 0.5% of the consideration paid for the transfer of real property is used to fund several land conservation programs as well as State forest and park operations. After certain initial distributions for debt service and administrative costs, the revenue is held in a transfer tax special fund and distributed according to the following percentages (“transfer tax formula”): (1) 76.15% to POS; (2) 17.05% to MALPF; (3) 5% to the Rural Legacy Program; and (4) 1.8% to the Heritage Conservation Fund.
- ***Chapter 10 of 2016 Reimbursement of Diverted Transfer Tax Funding*** – Chapter 10 of 2016 established a plan to reimburse the transfer tax special fund for money transferred from the fund to the general fund in fiscal 2006 and fiscal 2016, 2017, and 2018. This plan has evolved, with various modifications since then, shifting the timing and allocation of the reimbursement. The remaining reimbursement amounts (required general fund appropriations) that are scheduled for fiscal 2024 or later fiscal years, include: (1) for park development and critical maintenance on DNR-managed lands – \$6.0 million in each of fiscal 2024, 2025, and 2026 and \$4.0 million in fiscal 2027; (2) for allocation through the transfer tax formula – \$6,809,499 in fiscal 2024; \$37,986,900 by June 30, 2026; \$48,221,900 by June 30, 2030; and \$25,360,950 by June 30, 2031; and (3) for MARBIDCO for the Next Gen Program – \$2.5 million in each of fiscal 2024, 2025, 2026, and 2027.
- ***Program Open Space*** – The 76.15% distributed through the transfer tax formula to POS is subject to further required allocations among different uses, including State land acquisition and capital improvements for recreation and open space purposes, local government acquisition and development of land for recreation and open space purposes, and State forest and park operations. Subject to certain additional detail and distributions, in general, approximately 50% is allocated to State land acquisition and capital development, 30% is allocated to local government acquisition and development, and 20% is allocated to State forest and park operations.
- ***Maryland Agricultural Land Preservation Foundation*** – MALPF was established by the General Assembly to preserve productive agricultural land and woodland, limit the extent of urban development, and protect agricultural land and woodland as open space. MALPF, with the assistance and cooperation of landowners and local governments, purchases development rights easements as a means of protecting agricultural land and woodland production activities. As mentioned above, MALPF receives 17.05% of the funding distributed through the transfer tax formula, which has traditionally been allocated entirely toward capital costs of purchasing easements. MALPF also receives funding from the agricultural land transfer tax and surcharge, which is primarily used for the foundation’s operating expenses.

- ***Rural Legacy Program*** – The Rural Legacy Program provides funding for local governments and conservation organizations (such as land trusts) to purchase property and conservation easements within designated rural legacy areas. Local governments and land trusts apply annually to the Rural Legacy Board, which makes recommendations for designating rural legacy areas and granting funds to preserve land in the rural legacy areas that are then reviewed and approved by the Board of Public Works. As mentioned above, the program receives 5% of the funding distributed through the transfer tax formula.
- ***Next Generation Farmland Acquisition Program*** – The Next Gen Program is administered by MARBIDCO, which was established under Chapter 467 of 2004 to help Maryland’s farm, forestry, seafood, and related rural businesses to achieve profitability and sustainability. Under statutory authority to administer rural land acquisition and easement programs, including programs to assist young and beginning farmers, MARBIDCO administers the Next Gen Program, and the recently established Small Acreage Next Generation Farmland Acquisition Program (“SANG”), which help young and beginning farmers purchase land, with the purchases made under the programs resulting in, or typically leading to, permanent easements on the land.
- ***Park Advisory Commission*** – There is a Park Advisory Commission within DNR, consisting of 12 members appointed by the Governor with the advice of the Secretary of Natural Resources.
- ***Small Procurement Authority*** – Under State procurement law, “small procurement” means a procurement for which a unit spends \$50,000 or less, and statute specifies certain other instances in which procurements are considered small procurements, including when DGS or the Maryland Department of Transportation is seeking to award a procurement contract for a construction with a value of \$100,000 or less. In general, small procurements can use simplified administrative procedures but must be consistent with the basic intent of State procurement law.
- ***Workers’ Compensation Benefits and Occupational Disease Presumptions*** – An individual is presumed to be a covered employee under workers’ compensation law while in the service of an employer under an express or implied contract of apprenticeship or hire. Statute also specifies that a registered crew member, a paid law enforcement employee, or an individual engaged for fire fighting by DNR is a covered employee (the bill adds parks services associates, forest rangers, park rangers, and wildlife rangers to this provision). Workers’ compensation law establishes a presumption of compensable occupational disease for certain public safety employees who are exposed to unusual hazards in the course of their

employment. It is assumed that the specified diseases (heart disease, hypertension, lung disease, specified cancers, and Lyme disease) are due to the employees' work and, therefore, require no additional evidence in the filing of a claim for workers' compensation. Generally, presumptions are based on particular occupations and their associated health risks.

- ***Income Tax Subtraction Modification of Pension Income*** – Maryland law provides a pension exclusion (in the form of a subtraction modification) for individuals who are at least 65 years old or who are totally disabled, allowing for taxable pension income up to a specified amount (\$34,400 for 2021) to be exempt from tax. Chapters 153 and 154 of 2017 established a pension exclusion, for taxable pension income up to \$15,000, for retired law enforcement officers or fire, rescue, or emergency services personnel between the ages of 55 and 64. Chapters 573 and 581 of 2018 extended eligibility for that pension exclusion to correctional officers.

State Fiscal Effect: The estimated State fiscal effect of the bill is summarized in **Exhibit 1** and is based on the following assumptions and information:

- the money in the two new special funds (Park System Critical Maintenance Fund and Park System Capital Improvements and Acquisition Fund) resulting from the general fund appropriations to the funds in fiscal 2024 (under provisions 1 and 2, as numbered above in the Bill Summary) is assumed to not be fully appropriated from the special funds in fiscal 2024, but instead appropriated over multiple years (with the specific amounts shown in the exhibit attributable to DLS assumptions), based partially on the July 1, 2026 spending deadline for the Park System Critical Maintenance Fund and indications from DNR and DGS about how quickly the funding can be spent;
- the authorized transfer of \$60.0 million to the Park System Capital Improvements and Acquisition Fund on or before June 30, 2022, (provision 2) shifts \$60.0 million in special fund expenditures from the transfer tax special fund to the Park System Capital Improvements and Acquisition Fund, having no net effect on special fund expenditures (and therefore not shown in Exhibit 1), but allowing for that funding to be spent for either capital improvements or land acquisition instead of solely for land acquisition;
- the repeal of appropriations distributed through the transfer tax formula (provision 4) is reflected in Exhibit 1 consistent with the manner in which DBM has indicated that those appropriations are planned to be allocated among fiscal 2023 through 2031, dividing the appropriations required by June 30, 2026, and

June 30, 2030, by four and reflecting those appropriations over the course of the four fiscal years leading up to June 30, 2026, and June 30, 2030;

- as shown in Exhibit 1, general fund expenditures are assumed to decrease by \$9,496,725 in fiscal 2023 (along with the associated special fund revenues and expenditures impacts) as a result of the repeal of the general fund appropriation distributed through the transfer tax formula, of \$37,986,900 by June 30, 2026 (\$9,496,725 is one-quarter of \$37,986,900); however, that funding is currently included in the Governor's proposed fiscal 2023 budget (as part of a \$30,496,725 general fund appropriation to the Dedicated Purpose Account designated for POS repayment);
- the accelerated funding for MALPF, the Rural Legacy Program, and the Next Gen Program (provisions 5, 6, and 7), while shown in Exhibit 1 as appropriated in fiscal 2024, may, in practice, be *spent* over the course of more than one fiscal year;
- while not specified in the bill, this estimate assumes that the required appropriations in fiscal 2024 for MALPF and the Rural Legacy Program (provisions 5 and 6) are general fund appropriations;
- the accelerated funding for MALPF (provision 5) is allocated entirely as capital funding for the purchase of agricultural land preservation easements, and additional special fund expenditures are required, for staff and other expenses needed to spend the additional funding and to manage the ongoing stewardship and enforcement of the additional easements;
- the 100 new positions required by the bill (provision 9) are accounting for existing staff deficiencies; in addition to those required positions, additional DNR and DGS staff are needed to implement the new infrastructure management requirements in the bill (provisions 13 and 14) and to spend the additional funding in the two new special funds (provisions 1 and 2) (DGS will be involved in the procurement, project management, and oversight of the work);
- (1) 55 of the 100 new positions required by the bill (including the 5 Engineering and Construction positions, 5 Land Acquisition and Planning positions, and 1 volunteer management program coordinator) are assumed to start July 1, 2022; (2) the remaining 45 of the 100 new positions required by the bill are assumed to start July 1, 2023 (reflecting a phased hiring of the full 100 positions allowed by the bill); and (3) the additional new positions needed in DNR, DGS, and MALPF to implement the new infrastructure management requirements and to spend the general funds appropriated to the two new special funds in fiscal 2024 are assumed

to also start July 1, 2022, to begin implementing the infrastructure management requirements, to have time to get up to speed prior to fiscal 2024, and, in the case of DNR and DGS, to assist with spending of any of the \$60.0 million authorized to be transferred to the Park System Capital Improvements and Acquisition Fund on or before June 30, 2022, that is spent for capital improvements instead of land acquisition as a result of the transfer;

- DNR general or special fund expenditures increase, potentially significantly beginning in fiscal 2023 to pay for workers' compensation benefits, due to the bill's expansion of the State's occupational disease presumptions (provision 11) (a precise estimate of the increase depends on how many affected park services associates, forest rangers, park rangers, or wildlife rangers qualify for one of the occupational disease presumptions in any given year and whether any of those employees would have received workers' compensation for that occupational disease absent the bill, which cannot be reliably predicted; a covered employee may still receive workers' compensation for the diseases under current law, but the presumptions established under the bill ensure no additional evidence is required to qualify for benefits);
- general fund revenues decrease by approximately \$100,000 annually due to the bill's income tax subtraction modification provision (provision 11), based primarily on data on the existing subtraction modification, information from the State Retirement Agency on DNR retirees between the ages of 55 and 64, and the proportion of MPS employees that would be considered parks services associates and park rangers (MPS does not use the forest ranger and wildlife ranger classifications) to overall DNR employees, and accounting for the potential for federal and local government retirees to also qualify;
- the costs of contractual services to conduct the systemwide survey of historical and cultural resources, complete the comprehensive long-range strategic plan, and complete the independent study (provisions 15, 19, and 20) are expected to be at least \$250,000, \$150,000, and \$150,000, respectively; and
- annual supplies and equipment totaling \$100,000 are needed to brand, interpret, and equip Freedman's State Historical Park (provision 21). DNR indicates that three employees are also needed for the park's operations, but it is assumed, for the purposes of this estimate, that 3 of the 100 new MPS positions are assigned to the park.

Exhibit 1
Estimated State Fiscal Effect of the Bill
(\$ in Millions)

<u>Prov #</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
1	Park System Critical Maintenance Fund appr.	DNR	GF Exp SF Rev SF Exp		\$80.0 80.0 30.0	\$30.0	\$20.0					
2	Park System Capital Improvements and Acquisition Fund appr.	DNR	GF Exp SF Rev SF Exp		70.0 70.0 20.0	20.0	20.0	\$10.0				
3	Repeal of park development and critical maintenance appr.	DNR	GF Exp		(6.0)	(6.0)	(6.0)	(4.0)				
4	Repeal of apprs. distributed through formula	DNR/MDA DNR/MDA DNR MDA	GF Exp SF Rev SF Exp SF Exp	(\$9.5) (9.5) (7.9) (1.6)	(16.3) (16.3) (13.5) (2.8)	(9.5) (9.5) (7.9) (1.6)	(9.5) (9.5) (7.9) (1.6)	(12.1) (12.1) (10.0) (2.1)	(\$12.1) (12.1) (10.0) (2.1)	(\$12.1) (12.1) (10.0) (2.1)	(\$12.1) (12.1) (10.0) (2.1)	(\$25.4) (25.4) (21.0) (4.3)
5	Accelerated MALPF appr.	MDA	GF Exp SF Rev SF Exp <i>SF Pos's</i>		18.6 18.6 0.1 <i>1.0</i>	18.7	0.2	0.1	0.1	0.1	0.1	0.1
6	Accelerated Rural Legacy Program appr.	DNR	GF Exp		5.4							

<u>Prov #</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
7	Accelerated Next Gen Program appr. (including repeal of existing apprs.)	MARBIDCO	GF Exp GF Exp		(2.5) 10.0	(2.5)	(2.5)	(2.5)				
9	100 new permanent positions	DNR	GF Exp GF Pos's	6.8 55.0	10.0 45.0	8.7	9.0	9.2	9.4	9.6	9.9	10.1
1, 2, 13, 14	Add'l DNR positions for infrastructure management reqmts. and spending of new funding	DNR	GF Exp GF Pos's	1.2 9.0	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
1, 2, 13	Add'l DGS positions for infrastructure management reqmts. and spending of new funding	DGS	GF Exp GF Pos's	1.4 10.0	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4
11	Workers' compensation occupational disease presumptions	DNR	GF/SF Exp	-	-	-	-	-	-	-	-	-
11	Income tax subtraction modification	Comp	GF Rev	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)

<u>Prov #</u>	<u>Description</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
15	Systemwide survey of historical and cultural resources	DNR	GF Exp	0.3								
19	Comprehensive long-range strategic plan	DNR	GF Exp	0.2								
20	Independent study	DLS	GF Exp	0.2								
21	Freedman's State Historical Park	DNR	GF Exp	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<i>Subtotals</i>			<i>GF Exp</i>	<i>0.6</i>	<i>171.4</i>	<i>(7.1)</i>	<i>(6.8)</i>	<i>(7.1)</i>	<i>(0.3)</i>	<i>0.0</i>	<i>0.3</i>	<i>(12.7)</i>
			<i>SF Rev</i>	<i>(9.5)</i>	<i>152.3</i>	<i>(9.5)</i>	<i>(9.5)</i>	<i>(12.1)</i>	<i>(12.1)</i>	<i>(12.1)</i>	<i>(12.1)</i>	<i>(25.4)</i>
			<i>SF Exp</i>	<i>(9.4)</i>	<i>52.4</i>	<i>40.7</i>	<i>30.6</i>	<i>(2.0)</i>	<i>(12.0)</i>	<i>(11.9)</i>	<i>(11.9)</i>	<i>(25.2)</i>
			<i>GF Rev</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>
			<i>GF Pos's</i>	<i>74.0</i>	<i>45.0</i>							
			<i>SF Pos's</i>	<i>1.0</i>								
Net State Effect				(\$0.8)	(\$71.6)	(\$43.2)	(\$33.4)	(\$3.1)	\$0.1	(\$0.2)	(\$0.5)	\$12.5

appr.: appropriation
 Comp: Comptroller
 DGS: Department of General Services
 DLS: Department of Legislative Services
 DNR: Department of Natural Resources
 GF Exp: General fund expenditures
 GF Pos's: General fund permanent positions

GF Rev: General fund revenues
 GF/SF Exp: General/special fund expenditures
 MALPF: Maryland Agricultural Land Preservation Foundation
 MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation
 MDA: Maryland Department of Agriculture
 SF Exp: Special fund expenditures
 SF Rev: Special fund revenues

Source: Department of Legislative Services

Local Fiscal Effect: Local government fiscal impacts resulting from the bill include the following:

- Local POS funding decreases – as a result of the repeal of appropriations distributed through the transfer tax formula (provision 4) – by \$2.1 million in fiscal 2023, \$3.7 million in fiscal 2024, \$2.1 million in each of fiscal 2025 and 2026, \$2.7 million annually from fiscal 2027 through 2030, and \$5.7 million in fiscal 2031.
- Local governments may have greater operating costs associated with their role in MALPF’s purchase of easements due to the accelerated MALPF appropriation in fiscal 2024 (provision 5). MALPF indicates that local governments play an integral role in the process of purchasing easements and subsequent ongoing monitoring and stewardship of the easements.
- Local governments may benefit from additional grants for land conservation under the Rural Legacy Program as a result of the accelerated Rural Legacy Program appropriation in fiscal 2024 (provision 6).
- Similar to the impact on DNR expenditures, above, local government expenditures increase, potentially significantly beginning in fiscal 2023 to pay for workers’ compensation benefits, due to the bill’s expansion of the State’s occupational disease presumptions (provision 11), to the extent local government employees qualify as park services associates, forest rangers, park rangers, or wildlife rangers.
- Similar to the impact on State general fund revenues, local income tax revenues decrease by approximately \$65,000 annually beginning in fiscal 2023, as a result of subtraction modifications claimed against the personal income tax (provision 11).

Small Business Effect: Small businesses are expected to be meaningfully affected by the bill’s modification of the timing, amounts, and uses of funding for parks and other land conservation purposes. Small businesses can be involved in parks critical maintenance and capital development projects as well as due diligence work (title work, surveys, and appraisals) for land acquisition projects, and small business farmers can benefit from land conservation funding under MALPF, the Rural Legacy Program, and the Next Gen Program.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 541 (Senator Elfreth, *et al.*) - Budget and Taxation and Education, Health, and Environmental Affairs.

Information Source(s): Montgomery and Prince George's counties; Maryland Association of Counties; Maryland-National Capital Park and Planning Commission; Maryland Municipal League; Comptroller's Office; Maryland Department of Agriculture; Department of Budget and Management; Department of General Services; Department of Natural Resources; Maryland Department of Planning; Maryland Department of Transportation; Chesapeake Employers' Insurance Company; State Retirement Agency; Maryland Agricultural and Resource-Based Industry Development Corporation; Department of Legislative Services

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