

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 282

(Senator King, *et al.*)

Budget and Taxation

Environment and Transportation

Maryland Forestry Education Fund - Establishment

This bill establishes the Maryland Forestry Education Fund, a special fund administered by the Maryland Forestry Foundation. In general, the purpose of the fund is to provide small grants and specified training, education, and outreach opportunities for forest landowners, district forestry boards, local governments, and businesses. For fiscal 2025 and 2026, the Governor must include in the annual budget bill an appropriation of \$250,000 to the fund. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: No effect in FY 2024. General fund expenditures increase by \$250,000 annually in FY 2025 and 2026 due to the mandated appropriation and by indeterminate amounts in future years to the extent discretionary funding is provided. Special fund revenues and expenditures increase correspondingly. **This bill establishes a mandated appropriation in FY 2025 and 2026.**

| (in dollars) | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|----------------|---------|-------------|-------------|---------|---------|
| SF Revenue | \$0 | \$250,000 | \$250,000 | - | - |
| GF Expenditure | \$0 | \$250,000 | \$250,000 | - | - |
| SF Expenditure | \$0 | \$250,000 | \$250,000 | - | - |
| Net Effect | \$0 | (\$250,000) | (\$250,000) | (-) | (-) |

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

Local Effect: Local grant revenues and expenditures likely increase in FY 2025 and 2026 and may increase in future years. Local governments likely also benefit from the additional training and education provided under the bill.

Small Business Effect: Minimal overall, but potential meaningful impact on some small businesses in the forestry industry, as discussed below.

Analysis

Bill Summary: The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund.

The stated purpose of the fund is to expand and enhance (1) the Maryland Forestry Foundation's capacity to provide education and resources that support forest landowners in the State; (2) the ability of district forestry boards and the knowledge of local governments to achieve environmental, economic, and social sustainability of forest health and the sustainable management of forest resources; and (3) the ability of businesses to test innovative best management practices in forestry. The fund may be used only for:

- providing training and education to forest landowners, district forestry boards, and local governments to ensure they are well-informed on advances and developments in (1) healthy forest management; (2) ecological service markets; (3) emerging forestry threats; (4) climate science; (5) forest conservation; (6) urban forestry; (7) sustainability science; (8) forestry policy; (9) forestry practices; and (10) resource options that promote the multiple benefits of forest management;
- providing outreach and engagement that builds local capacity and institutionalizes sustainability efforts within communities and the district forestry boards, including holding a forest sustainability conference once every two years, implementing a peer-to-peer learning exchange, and providing healthy forest presentations;
- developing and expanding a healthy forest education and conservation program;
- improving the outreach of district forestry boards by providing education, recognition, strategies, and actions the boards can implement;
- providing small grants to district forestry boards, forest landowners, local governments, and businesses to test innovative best management practices in forestry;
- recognizing the efforts forest landowners and local governments make toward achieving healthy, sustainable forest management; and
- expenses related to the administration of the fund.

Money expended from the fund for specified outreach, training, education, and grants is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for forestry education and outreach.

Current Law: It is the policy of the State to encourage economic management and scientific development of its forests and woodlands to maintain, conserve, and improve the soil resources of the State so that an adequate source of forest products is preserved for the people.

The mission of the Forest Service within the Department of Natural Resources (DNR) is to restore, manage, and protect Maryland's trees, forests, and forested ecosystems to sustain the State's natural resources and connect people to the land. Among other activities, the Forest Service (1) promotes the use of sustainable forestry management and urban tree planting; (2) provides education on forest sustainability to landowners, communities, organizations, and government agencies; (3) supports the maintenance of diverse forest economic activities and the forest products industry to provide for ecological and economic benefits of the State's forests; (4) uses a variety of outreach mechanisms and partnerships to communicate forestry information to targeted audiences; and (5) works with government agencies, utilities, community groups, and citizens to expand and protect urban tree resources.

Among its forestry-related duties, DNR is required to divide the State into districts based on the character and extent of the timber stand, similarity of forest problems, convenience of administration, and other pertinent factors. Within each district, DNR must establish a district forestry board, commonly referred to as a [forest conservancy district board](#). DNR must appoint at least five members; the appointments must include, if possible, a person who represents each of the major types of forestry and woodworking interests and at least one person who represents farm woodland owners, as specified.

District forestry boards must (1) promote private forestry by assisting landowners in forest management, planting trees, conservation and development of tree crops, and protection of forests from fires, insects, and diseases; (2) provide landowners with the services of a forester and advise them regarding their forest and tree crop problems; (3) assist county assessors in their appraisal of forest lands for tax purposes; (4) disseminate forest conservation information and collect data concerning forest conservation problems; (5) secure the cooperation and assistance of the United States and any of its agencies and State agencies in conservation of forest resources; (6) advise private forest land owners on the construction of flood control measures, seeding and planting of waste slopes, abandoned or eroded lands, and development of wildlife by planting food or cover producing trees, bushes, and shrubs; and (7) receive and pass on proposed work plans for cutting forest lands.

Among other duties and powers, district forestry boards may cooperate with other government agencies to achieve better forest growth and promulgate conservation measures.

State Fiscal Effect: General fund expenditures increase by (1) \$250,000 in fiscal 2025 and 2026 due to the bill's mandated appropriation to the Maryland Forestry Education Fund in those years and (2) indeterminate amounts in future years to the extent that any additional, discretionary funding is provided to the fund. Special fund revenues and expenditures increase correspondingly, as the mandated appropriations and any future

discretionary appropriations, along with any interest earnings, are received by the fund and spent in accordance with the bill. The bill requires that expenditures from the fund may be made only in accordance with the State budget. Accordingly, even though the fund is administered by the Maryland Forestry Foundation, which is a nonprofit organization, this analysis assumes that the special funds flow through the State budget.

Local Fiscal Effect: To the extent local governments receive a grant under the program, local revenues and expenditures increase correspondingly in fiscal 2025 and 2026 and may also increase in future years if discretionary funding is provided to the fund. In addition, local governments likely benefit from the additional training and outreach provided under the bill.

Small Business Effect: Businesses are eligible to receive small grants from the fund to test innovative best management practices in forestry. Accordingly, small business foresters benefit to the extent they receive a grant under the program. They may also benefit indirectly from the additional training and outreach provided to forest landowners, district forestry boards, and local governments to the extent it results in an increase in the demand for forestry-related services.

Additional Comments: The [Maryland Forestry Foundation](#) is a nonprofit organization that (1) promotes sustainable forestry through legislative advocacy; (2) administers a tree-planting operation on private property in the State; (3) supports several urban forestry programs; (4) manages college fellowships in the field of natural resources; and (5) acts as the fiduciary agent for Maryland Forestry Board programs.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See HB 876 of 2022.

Designated Cross File: HB 289 (Delegate Stein, *et al.*) - Environment and Transportation.

Information Source(s): Department of Natural Resources; Department of Budget and Management; Baltimore, Frederick, Montgomery, and Somerset counties; cities of Frederick and Havre de Grace; Maryland Association of Counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History:
km/lgc

First Reader - February 5, 2023

Third Reader - March 20, 2023

Revised - Amendment(s) - March 20, 2023

Revised - Clarification - March 20, 2023

Analysis by: Scott D. Kennedy

Direct Inquiries to:

(410) 946-5510

(301) 970-5510