

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 117 (Chair, Environment and Transportation Committee)(By
Request - Departmental - Natural Resources)

Environment and Transportation Education, Energy, and the Environment

**Department of Natural Resources - Maryland Geological Survey Fund -
Establishment**

This departmental bill establishes the Maryland Geological Survey (MGS) Fund in the Department of Natural Resources (DNR) to finance the direct and indirect costs of administering MGS, including long-term budgeting and planning for survey projects, procurements, and equipment purchases.

Fiscal Summary

State Effect: Overall special fund revenues for DNR are not materially affected, although special fund expenditures for DNR may be delayed into future fiscal years, as discussed below. The effect on special fund expenditures in any particular fiscal year is unknown.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: DNR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The MGS Fund is established in DNR as a special, nonlapsing fund, consisting 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 MGS. The fund may only be used for (1) covering the costs of the operation of MGS; (2) purchasing and maintaining

equipment for use by the department or MGS; (3) funding projects undertaken and overseen by MGS; (4) administering MGS; and (5) specified administrative expenses.

Current Law: MGS is established in DNR, with a director appointed by the Governor with the advice of the Secretary of Natural Resources. MGS must:

- conduct topographic, geologic, hydrographic, and geophysical surveys;
- prepare topographic, geologic, and other types of maps to meet specific needs;
- prepare reports on the extent and character of the State’s geology, mineral, and water resources; and
- periodically assess the paleontological resources of the State and coordinate the assessment with interested persons and public agencies.

Within MGS is a five-member commission, appointed by the Secretary, to advise the director with respect to any matter within MGS jurisdiction.

Background: MGS is a scientific-investigative organization charged with investigating the geologic and water resources of the State through the application of the various disciplines within earth science. Its primary mission includes investigation and monitoring of water resources, geologic, topographic, and geophysical mapping, environmental geology, mineral resources, and coastal and estuarine geology. MGS clients include local governments, nonprofits, and private companies. MGS has approximately 30 total positions and its annual appropriation is a combination of general, special, reimbursable, and federal funds. The fiscal 2025 budget as introduced includes approximately \$6.5 million total for MGS (approximately \$4.3 million in general funds, \$986,800 in special funds, \$836,300 in reimbursable funds, and \$342,100 in federal funds).

State Fiscal Effect: DNR advises that the intent of the bill is *not* to allocate all existing funds that support MGS operations into the MGS Fund. Instead, the intent is to only allocate to the MGS Fund certain monies paid to MGS for services that it provides to local governments and nonprofits. Currently, such payments are allocated to a “catch all” fund in DNR that makes it difficult to track the specific MGS payments and does not allow MGS to carry forward any accrued amounts into subsequent fiscal years or earn interest on those amounts (in the Governor’s Budget Books, the fund is labeled “Maryland Geological Survey Account”).

MGS intends to use the flexibility provided by the bill to complete larger projects and to purchase and replace expensive equipment with funds accrued over multiple fiscal years. For context, had the bill been in effect in fiscal 2023, reallocated revenues would have been approximately \$156,000.

Consequently, the bill does not materially affect overall special fund revenues for DNR, although accrued funds can earn and retain minor interest revenues. Special fund expenditures for DNR may be delayed into future fiscal years; however, the effect on expenditures in any particular year is unknown since it depends on the timing of future spending decisions.

In fiscal 2025, these effects may be mitigated to some extent by the bill's October 1, 2024 effective date.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 305 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Natural Resources) - Education, Energy, and the Environment.

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

Fiscal Note History: First Reader - January 26, 2024
km/lgc Third Reader - February 23, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Natural Resources - Maryland Geological Survey
Fund - Establishment

BILL NUMBER: HB0117

PREPARED BY: Dylan Behler

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X 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 Department does not believe that this will have an economic impact on small businesses.