

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 684

Appropriations

(Delegate Hinebaugh)

Education, Energy, and the Environment and
Budget and Taxation

State Lakes Protection and Restoration Fund - Alteration and Extension

This bill extends (1) the termination date – from June 30, 2025, to June 30, 2028 – of Chapter 698 of 2018, as amended by Chapter 39 of 2022, and (2) an associated mandated appropriation, at a reduced amount. As a result, changes made under Chapter 698, as amended by Chapter 39, to provisions governing the State Lakes Protection and Restoration Fund continue in effect through June 30, 2028, including a mandated appropriation to the fund, for fiscal 2027 and 2028, at the reduced amount of \$500,000. **The bill takes effect June 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$500,000 in FY 2027 and 2028, reflecting the extension of the mandated appropriation. Special fund revenues and expenditures increase correspondingly by \$500,000 in FY 2027 and 2028, reflecting receipt of the mandated funding and corresponding spending. **This bill extends a mandated appropriation, at a reduced amount, through FY 2028.**

| (in dollars) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|----------------|---------|-------------|-------------|---------|---------|
| SF Revenue | \$0 | \$500,000 | \$500,000 | \$0 | \$0 |
| GF Expenditure | \$0 | \$500,000 | \$500,000 | \$0 | \$0 |
| SF Expenditure | \$0 | \$500,000 | \$500,000 | \$0 | \$0 |
| Net Effect | \$0 | (\$500,000) | (\$500,000) | \$0 | \$0 |

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

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

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapters 404 and 405 of 2017 first established the State Lakes Protection and Restoration Fund, administered by the Secretary of Natural Resources, to protect and restore State-owned lakes. Under Chapters 404 and 405, the fund consisted of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Chapter 698, however, required the Governor to include in the annual budget bill an appropriation of \$1.0 million to the fund for fiscal 2020 and each fiscal year thereafter and expanded the authorized uses of the fund in the manner discussed in the following paragraph. Originally, Chapter 698 was subject to a June 30, 2022, termination date; however, Chapter 39 extended the termination date of Chapter 698 to June 30, 2025.

Chapters 698 and 39 explicitly authorize the fund to be used to protect or restore State-owned and State-managed lakes by (1) removing sediment; (2) treating contaminated sediment; (3) preventing the spread of invasive species; (4) improving ecological and recreational value; and (5) taking any other action the Department of Natural Resources determines necessary.

Effective July 1, 2025, the requirement in Chapters 698 and 39 that the Governor include an appropriation of \$1.0 million to the fund in the annual budget bill terminates and the fund may only be used for the protection or restoration of State-owned lakes.

State Fiscal Effect: While Chapter 698 is set to terminate at the end of June 30, 2025, it is assumed that, in the absence of this bill (and under the bill), the \$1.0 million mandated appropriation continues through fiscal 2026, since Chapter 698 was in effect when the Governor introduced the annual budget bill for fiscal 2026 during the 2025 legislative session.

Pursuant to the bill, general fund expenditures increase by \$500,000 in fiscal 2027 and 2028, which reflects the mandated appropriations for the State Lakes Protection and Restoration Fund in fiscal 2027 and 2028.

Special fund revenues to the fund and expenditures from the fund increase correspondingly by \$500,000 in fiscal 2027 and 2028, which reflects the receipt of the mandated funding and corresponding spending. It is assumed that the entire mandated appropriation is spent in each year.

Small Business Effect: Small businesses may meaningfully benefit from the opportunity to bid on protection and restoration projects funded by the additional funding provided under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 1094 and HB 1347 of 2024.

Designated Cross File: SB 420 (Senator McKay) - Education, Energy, and the Environment and Budget and Taxation.

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

Fiscal Note History: First Reader - February 2, 2025
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