

GCCC Testimony SB 618 SLPRF 2-24-21.pdf

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Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

FAVORABLE:
SB 618 – Natural Resources - State Lakes Protection and Restoration Fund - Mandatory Funding

Budget & Taxation Committee
February 24, 2021

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support of **SB 618 – Natural Resources - State Lakes Protection and Restoration Fund - Mandatory Funding**.

SB 618 will provide an annual allocation of \$3 million dollars beginning in FY2023 to the State Lakes Protection and Restoration Fund (SLPRPF) allowing DNR and MDE to develop a proper project prioritization system and the necessary funding to sufficiently address harmful and destructive issues impacting the 16 state-owned lakes in Maryland.

Deep Creek Lake in Garrett County, the largest freshwater lake and inland body of water in Maryland, is an economic engine, helping to generate an economic impact of \$360.5 million annually. The property tax revenue derived from the Deep Creek Lake watershed accounts for nearly 60% of County revenue. Deep Creek Lake is now 96 years old and as happens with any man-made lake, it is experiencing issues with aquatic invasive species (AIS), sediment accumulation, shoreline erosion and threats to water quality and conditions. The State, as the owner of Deep Creek Lake and 15 other lakes throughout Maryland, must allocate sufficient funding for protection programs, restoration and remediation projects to sustain these important natural resources for future generations.

During the 2018 session of the General Assembly, the Legislature approved the annual allocation of \$1 million to the SLPRPF through FY21. This amount is grossly inadequate for the State to uphold its responsibilities to all 16 lakes. As an example, it costs DNR \$215,000 annually for treatment of hydrilla just in Deep Creek Lake. Hydrilla is an AIS that is highly threatening to a lake and extensive treatment is needed to prevent the AIS from taking over a lake and rendering it useless. The \$3 million proposed in SB 618 is necessary for the State to uphold its responsibilities.

Please support Maryland's natural assets with a **FAVORABLE committee report on SB 618**.

Sincerely,

Nicole Christian, SON, CE

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2021 SB0618 Testimony in Support - MTC.pdf

Uploaded by: Plaut, Ari

Position: FAV



**LETTER OF SUPPORT ON BEHALF OF
MARYLAND TOURISM COALITION**

IN SUPPORT OF SB0618 – State Lakes Protection and Restoration Fund

Before the Budget and Taxation Committee, February 24, 2021

Dear Chairman & Committee Members,

My name is Ruth Toomey, Executive Director of Maryland Tourism Coalition, a 50-year-old organization that represents the various services, attractions, organizations and accommodations that make up the State's Industry. MTC is the voice of our state's diverse tour and travel community, bringing together the entire industry to enhance business growth and to promote Maryland as a first-class destination for visitors. On behalf of our 1,000+ members, I would like to express our support of SB0618.

Tourism is vital to Maryland's economy! In a typical year, tourism supports 226,000 direct and indirect jobs, making it the 11th largest industry in the state. Visitors to Maryland spend nearly \$18.6 billion in Maryland each year and those same visitors generate close to \$2.6 billion in state and local taxes. Without tourism in the state of Maryland, each household would pay \$1,175 more in local taxes.

But as we all know, this past year has been anything but typical. While many in our industry were negatively affected by the pandemic – our outdoor tourism destinations, State Parks in particular, saw a massive increase in visitors in 2020 compared to 2019. According to the Maryland Department of Natural Resources, state parks saw 21.5 million visitors compared to 14.9 million the year before. According to DNR, these records were broken despite having temporary closures of campgrounds, cabins and beaches. Having state parks as an attraction can help grow overnight stays, restaurant visits, and shopping trips. But, in order to accommodate the growing demand, we must take care of these wonderful resources and invest in protecting their natural beauty. These lakes should continue to be a priority to continue to encourage increased tourism to Maryland as we get through these trying times.

On behalf of the Maryland Tourism Coalition, we respectfully request that you support SB0618.

Sincerely,

Ruth Toomey

Ruth Toomey
MTC Executive Director

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Position: INFO



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

February 24, 2021

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Information – Senate Bill 618 – Natural Resources – State Lakes Protection and Restoration Fund – Mandatory Funding

Dear Chair and Committee Members,

The Maryland Department of Natural Resources would like to provide the following information for Senate Bill 618. This bill would require the Governor to include in the annual budget bill for the State Lakes Protection and Restoration Funds from \$1,000,000 to \$3,000,000.

The existing \$1 million allocation for the State Lake Protection and Restoration Fund has been tremendously successful and instrumental in protecting and restoring Maryland's 16 state-owned lakes, most notably Deep Creek Lake. As Maryland's largest lake and the economic driver for western Maryland, it is critical to fund projects that help protect and preserve one of our most treasured resources as well as all Maryland owned lakes.

However, almost all of Maryland's state lakes are 50 years old or older and are typically filled with nutrient enriched sediments that become colonized by native and non-native submerged aquatic vegetation and begin to experience more abundant algae and sometimes even harmful algae blooms. Key types of projects to address these issues often involve removing sediment and treating contaminated sediments. These "dredging" projects can cost millions of dollars. An increase in allocation could allow funding of these expensive yet necessary dredging projects.

If the annual appropriation for the State Lakes Protection and Restoration Fund increases from \$1 million to \$3 million, it would potentially triple the number of protection and restoration projects. The management and implementation of an annual program of \$3 million will require funding for three staff. If the funding for these positions cannot be taken out of the \$3 million annual allocation for the fund, then additional general funds would be needed to sustain the necessary level of project management and implementation of projects.

Respectfully submitted,

James W. McKittrick
Director, Legislative and Constituent Service

Contact: James McKittrick, Director, Legislative and Constituent Services
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SB 618 St Lakes Protection (Edwards) B&T 2.24.21.p

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Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

DAVID R. BRINKLEY
Secretary

BOYD K. RUTHERFORD
Lieutenant Governor

MARC L. NICOLE
Deputy Secretary

SENATE BILL 618 Natural Resources - State Lakes Protection and Restoration Fund - Mandatory Funding (Edwards)

STATEMENT OF INFORMATION

DATE: February 24, 2021

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 618 increases from \$1 million to \$3 million the annual mandated appropriation to the State Lakes Protection and Restoration Fund.

EXPLANATION: The \$1 million mandated appropriation amount in FY 2021 was reduced by 10% at the July 1, 2020 meeting of the Board of Public Works, resulting in a \$900,000 appropriation. The FY 2022 Budget fully funds the \$1 million mandate, and budgets the \$173,479 from the prior year fund balance for a total of \$1,73,479 in FY 2022.

The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$2 million increase of \$1 million mandated appropriation that originally was a three year program.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions for the remainder of FY 2021 and FY 2022 highly volatile. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief, but the impact of the COVID-19 pandemic continues to present a significant budgetary vulnerability.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides \$1.2 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**