

Department of Legislative Services

Maryland General Assembly

2022 Session

FISCAL AND POLICY NOTE

Third Reader

Senate Bill 178

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Natural
Resources)

Education, Health, and Environmental Affairs

Appropriations

Program Open Space - Local Projects - Federal Funds

This departmental bill repeals the requirement that an applicant for local Program Open Space (POS) funding must certify on each application that the applicant has (1) applied for federal funds and received notification of federal approval or disapproval; (2) applied for federal funds and has not received notification of a grant approval or disapproval within 120 days of submission of a federal grant application; or (3) verified that the project is not eligible for federal funds. Instead, the bill requires that the applicant must certify that the applicant has or has not received federal funds for the project. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government finances. The bill does not change the amount of POS Local funding allocated to the counties overall or individually.

Small Business Effect: The Department of Natural Resources (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

Current Law: DNR administers POS, which acquires and improves outdoor recreation and open space areas for public use. POS consists of a State and local component. Under the local component, DNR allocates funds among the counties for local conservation acquisitions and development of public outdoor recreational sites, facilities, and open space.

To participate in the grant process, a local government must prepare a local Land Preservation and Recreation Plan every five years. Each participating local government must also submit an annual program of proposed acquisition and development projects to DNR and the Maryland Department of Planning. The annual program is the basis for total allocations to each local government. Additionally, local governments must submit either a consolidated application for funding for the acquisition or development projects or individual applications for each project.

On each application for POS Local funding, the applicant must certify that:

- the project conforms to the annual program of the local governing body;
- a governmental agency is charged to manage and administer an outdoor public recreation and open space program;
- funds are or will be available within 12 months of the date of submission of the application to pay the local share of the project cost;
- the value or interest of the land proposed for acquisition has been established by appraisers;
- the applicant has applied for federal funds and received notification of federal approval or disapproval, or applied for federal funds and has not received notification of a grant approval or disapproval within 120 days of submission of a federal grant application, or has verified that the project is not eligible for federal funds;
- rules and regulations have been complied with;
- land acquired or developed under a POS grant may not be converted, without specified written approval, from outdoor public recreation or open space use to any other use; and
- for any approved conversion of land acquired or developed under a POS grant, the appraised monetary value of the land proposed for acquisition to replace the converted land must be equal to or greater than the appraised monetary value of the land to be converted.

Background: As noted above, under current law, local governments must apply for or determine their eligibility for federal funding before applying for POS Local funding. DNR

advises that for several reasons, including availability of federal funds and federal grant requirements, not all local governments apply for federal funds before submitting applications for POS Local funds. DNR notes that in recent years, there have not been sufficient federal funds available for all POS Local projects and that the current statutory requirement increases the workload for both the department and local governments, while not necessarily increasing federal fund revenues for such projects.

According to DNR, the bill is intended to provide local governments greater flexibility in choosing which projects to apply for federal funds for, given federal grant requirements and the relatively small amount of federal grant funds available for park and recreation projects compared to the amount of POS Local funds available. For example, in fiscal 2022, the POS Local working appropriation is \$53.4 million, while, according to DNR, Maryland's share of the federal Land and Water Conservation Fund (the primary source of federal grants for park development and acquisition projects) is \$5.6 million (for both State and local projects).

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Anne Arundel, Baltimore, Charles, Frederick, Montgomery, and Somerset counties; Maryland Association of Counties; City of Havre de Grace; Maryland Municipal League; Department of Natural Resources; Maryland Department of Planning; Department of Legislative Services

Fiscal Note History: First Reader - January 14, 2022
fnu2/lgc Third Reader - February 17, 2022

Analysis by: Amberly Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Program Open Space – Local Projects – Federal Funds

BILL NUMBER: SB 178

PREPARED BY: Lisa Eutsler, Legislative and Regulations Coordinator

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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