

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 998  
Rules

(Senator Eckardt)

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Maryland Environmental Trust - Trustees - Alterations

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This bill modifies the manner in which candidates for election to the Maryland Environmental Trust (MET) board of trustees are identified, recommended, and elected. The bill also makes other changes regarding (1) the term of a trustee elected to fill a vacancy that arises after a term has begun; (2) a trustee serving until a successor is elected and seated; (3) the number of trustees that constitute a quorum; (4) decisions to expend or invest gifts of money; (5) election of board officers; and (6) notice of board meetings. **The bill takes effect June 1, 2022.**

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Fiscal Summary

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:**

*Election and Terms of Trustees*

The bill requires that – at least 60 days before the expiration of a term – the board must submit to the Governor, the President of the Senate, and the Speaker of the House a list of candidates to fill any available seats on the board of trustees. However, irrespective of the submitted list of candidates, the bill authorizes the Governor, the President of the Senate,

or the Speaker of the House to recommend any individual to serve on the board consistent with existing considerations applicable to trustee recommendations.

The bill also modifies the number of recommended individuals the Governor, the President of the Senate, and the Speaker of the House must submit to the board of trustees (for election to the board), so that (1) the Governor submits at least two recommendations instead of three recommendations; (2) the President of the Senate submits at least one recommendation instead of three recommendations; and (3) the Speaker of the House submits at least one recommendation instead of three recommendations.

If the Governor, the President of the Senate, or the Speaker of the House fails to submit a recommendation to the board within 60 days after a term expires, the board must elect by majority vote a member or members from the list of candidates originally submitted to the Governor, the President of the Senate, and the Speaker of the House.

The bill requires that a trustee who is elected to fill a vacancy that arises after a term has begun must be elected from the most recent list of candidates submitted by the board to the Governor, the President of the Senate, and the Speaker of the House, rather than from recommendations submitted by the Governor, the President of the Senate, and the Speaker of the House. The bill also establishes that a trustee elected to fill a vacancy that arises after a term has begun serves for the rest of the term and one additional four-year term, instead of only for the rest of the term and until a successor is elected.

The bill authorizes any trustee to continue to serve until a successor is elected and seated.

The bill establishes the intent of the General Assembly that an elected trustee that is serving at the time the bill takes effect serve the rest of the term for which the trustee was elected and until a successor is elected and seated in accordance with the bill's provisions.

### *Other Modifications*

The bill modifies the number of trustees that constitute a quorum to conduct business. Under the bill, a majority of the trustees serving on the board constitutes a quorum, instead of 10 trustees.

The bill also modifies existing authority of the trust to expend or invest gifts of money the trust receives, so that the expenditure or investment of a gift is still decided on at a regular or special meeting, if a quorum is present, but no longer is decided by the affirmative vote of a minimum of seven elected trustees.

The bill modifies a requirement that the trustees elect a chair, secretary, and other officers as they determine, from among the *elected* membership, instead requiring that the chair, secretary, and other officers be elected from among the membership.

The bill also eliminates a requirement that specified notice given by the secretary of the board to every trustee, regarding the time and place of every meeting, be in writing.

### **Current Law:**

#### *Maryland Environmental Trust Establishment and Purpose*

MET was established by statute in 1967 “to conserve, improve, stimulate, and perpetuate the aesthetic, natural, health and welfare, scenic, and cultural qualities of the environment, including, but not limited to land, water, air, wildlife, scenic qualities, [and] open spaces.” The trust was created as a quasi-public entity and is both a unit of the Department of Natural Resources and governed by a board of trustees.

#### *Board of Trustees Membership, Election, and Terms*

MET’s board of 19 trustees exercises the powers and duties of the trust. The Governor, the President of the Senate, and the Speaker of the House are *ex officio* members of the board of trustees. Of the remaining 16 trustees, 4 must be elected each year for a term of four years at any regular or special meeting by a majority vote of the trustees present. The Governor must submit 3 recommendations to the board, of which 2 must be elected. The President of the Senate must submit 3 recommendations, of which 1 must be elected. Finally, the Speaker of the House must submit 3 recommendations, of which 1 must be elected. The recommendations for an elected trustee must, to the extent practicable and consistent with the purposes of the trust, (1) represent a broad distribution of professions and geographies; (2) reflect the diversity of the State; and (3) represent individuals with experience in one or more of specified categories (conservation/preservation; agriculture; community planning and land use policy; academic work; and business leadership, governance, or fundraising).

A trustee who is elected to fill a vacancy that arises after a term has begun must be elected from recommendations submitted by the Governor, the President of the Senate, or the Speaker of the House in accordance with the process described in the paragraph above, as applicable.

Chapter 148 of 2016 increased the number of trustees from 15 to 19 and, among other things, modified the manner in which the trustees other than the *ex officio* members are elected by the board (including requiring recommendations by the *ex officio* members and a majority rather than a unanimous vote).

An elected trustee may not serve more than two consecutive terms; however, the chair may serve a third consecutive term if elected as chair during or after the second year of the chair's second term. A trustee who is elected to fill a vacancy that arises after a term has begun serves only for the rest of the term and until a successor is elected.

An *ex officio* member of the board of trustees may delegate any of the powers or duties of the member to an authorized representative. The representative of the Governor must be a member of the Executive Department of the State. The representative of the President of the Senate must be a member of the Senate. The representative of the Speaker of the House must be a member of the House of Delegates.

### *Other Provisions*

Ten trustees constitute a quorum to conduct business.

Among other powers and duties of the trustees, they are authorized to accept any gift and may expend both principal and income of any gift of money or invest it in whole or in part in general obligations of the State or other securities in furtherance of the trust, as decided at a regular or special meeting, if a quorum is present, by the affirmative vote of a minimum of seven elected trustees.

The trustees must elect from among the elected membership a chair, secretary, and other officers as they determine.

The secretary of the board must notify in writing every trustee of the time and place of every meeting at least seven days in advance of the meeting, except that meetings may be held on shorter notice if all trustees agree.

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## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Governor's Office; Department of Natural Resources; Department of Legislative Services

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