

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1347 (Delegate Hinebaugh, *et al.*)
 Appropriations

State Lakes Protection and Restoration Fund - Alteration and Extension

This bill extends the termination date – from June 30, 2025, to June 30, 2027 – of Chapter 698 of 2018, as amended by Chapter 39 of 2022. As a result, the bill makes the changes made under those Acts to provisions governing the State Lakes Protection and Restoration Fund applicable for an additional two years. In addition, the bill (1) increases the existing mandated appropriation to the fund for fiscal 2026 by \$1.0 million and (2) establishes a mandated appropriation to the fund of \$2.0 million for fiscal 2027.

Fiscal Summary

State Effect: General fund expenditures increase by \$1.0 million in FY 2026 and by \$2.0 million in FY 2027 (reflecting the mandated funding). Special fund revenues and expenditures increase correspondingly in those years (reflecting receipt of the additional mandated funding and corresponding spending). **This bill increases an existing mandated appropriation for FY 2026 and establishes a mandated appropriation for FY 2027.**

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$0	\$1.0	\$2.0	\$0	\$0
GF Expenditure	\$0	\$1.0	\$2.0	\$0	\$0
SF Expenditure	\$0	\$1.0	\$2.0	\$0	\$0
Net Effect	\$0.0	(\$1.0)	(\$2.0)	\$0.0	\$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 (DNR) determines necessary.

Effective July 1, 2025, the mandated appropriation required by Chapters 698 and 39 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 June 30, 2025, it is assumed that, in the absence of this bill, the \$1.0 million mandated appropriation continues through fiscal 2026, since Chapter 698 would still be in effect when the Governor introduces the annual budget bill for fiscal 2026 during the 2025 legislative session. Therefore, general fund expenditures increase by \$1.0 million in fiscal 2026 and by \$2.0 million in fiscal 2027, which reflects an increase in the mandated appropriation for the State Lakes Protection and Restoration Fund in fiscal 2026 and the establishment of the \$2.0 million mandated appropriation to the fund for fiscal 2027.

Special fund revenues to the fund and expenditures from the fund increase by \$1.0 million in fiscal 2026 and by \$2.0 million in fiscal 2027, reflecting the receipt of the mandated appropriations and corresponding spending. It is assumed that the entire mandated appropriation is spent in each year.

DNR can implement the bill's changes with existing staff.

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 not been introduced within the last three years.

Designated Cross File: SB 1094 (Senator McKay, *et al.*) - 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 25, 2024
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