



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 1031 Natural Resources – Land Conservation – Establishment of Goals and Programs (Luedtke)

STATEMENT OF INFORMATION

DATE: March 2, 2022

COMMITTEE: House Environment & Transportation

SUMMARY OF BILL: HB 1031, in part, mandates \$10 million in FY 2024 to the Local Land Trust Revolving Loan Fund to assist land trusts in purchasing property; increases from \$50,000 to \$1 million the annual mandated appropriation to the Mel Noland Woodland Incentives and Fellowship Fund; mandates \$3 million in FY 2024 and \$5 million in FY 2025 and each fiscal year thereafter for the Greenspace Equity Program for grants to local govts, nongovernmental organizations, and land trusts to implement projects to preserve, create, and enhance community greenspace. Further, the bill expresses legislative intent that 30% of public and private land is conserved by 2030 and 40% by 2040.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the nearly \$14 mandated appropriation provisions, which impact the FY 2024 budget and the \$6 million mandated appropriations impacting subsequent budgets.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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