



Wes Moore, Governor  
Aruna Miller, Lt. Governor  
Josh Kurtz, Acting Secretary  
Allan Fisher, Deputy Secretary

---

February 22, 2023

**BILL NUMBER: House Bill 631 – First Reader**

**SHORT TITLE: Maryland the Beautiful Act**

**DEPARTMENT’S POSITION: LETTER OF INFORMATION WITH AMENDMENTS**

**EXPLANATION OF DEPARTMENT’S POSITION:**

---

*Local Land Trust Revolving Loan Program*

HB 631 would establish a significant new program, the “Local Land Trust Revolving Loan Program,” to be administered by the Maryland Environmental Trust (MET), a unit of the Department, for providing revolving loans to land trusts in Maryland to assist them in their purchase of conservation land or easements. The loans would be made on a rolling basis, and a land trust that receives a loan from the program would repay the loan after the property has been placed under easement or transferred to a state or local government entity. The bill proposes that in fiscal year 2025 the Governor shall include in the annual budget bill an appropriation of \$10,000,000 to establish the revolving loan fund.

MET proposes amendments to Sections 3-214, 3-215, and 3-216 of HB 631 that will provide necessary clarification and guidance to MET’s staff and Board of Trustees in effectively administering this new program. These include provisions for MET to establish program processes and procedures, loan terms, and a timeframe for loan repayment, as well as language stating a state or local government entity is not obligated to accept an easement or transfer of land acquired through the loan fund. This would be to account for if or when a property may not be consistent with the goals and/or mission of the state or local government.

*Other grants established by HB 631*

HB 631 would also establish the new “40 x 40 Land Conservation Implementation Grant Program” to be administered by MET in support of the land conservation goals set forth in the bill. This grant of \$250,000 would be awarded annually on a competitive basis to a statewide nonprofit supporting conservation of land in Maryland for presenting educational conferences and training for land trusts, as well as providing resources for land trust organizational support and capacity building. HB 631 also calls for an increase in state funding, \$235,000 annually, for the Keep Maryland Beautiful (KMB) suite of grant programs that MET administers per Nat. Res. Art. Sec 3-210.

MET would request consideration of additional staff to implement the bill’s proposed new programs and funding.

The amendments also delete what would be a duplicative setting and reporting of land conservation, recognizing the existing Managing for Results budget process, as well as the Land Preservation Dashboard from the Maryland Department of Planning website.

Contact: Emily Wilson, Director, Legislative and Constituent Services (Acting)  
[emilyh.wilson@maryland.gov](mailto:emilyh.wilson@maryland.gov) ♦ 410-260-8426 (office) ♦ 443-223-1176 (cell)

**BACKGROUND INFORMATION:**

---

HB 631 establishes two new grant programs to be administered by MET, and increases the funding for the existing Keep Maryland Beautiful (KMB) grants program, which MET administers since 1967 in accordance with Nat. Res. Art. Sec 3-210. KMB provides grants on an annual basis to help volunteer-based nonprofit groups, communities, schools, and land trusts in Maryland support environmental education projects, litter removal, and citizen stewardship, and to protect natural resources in urban and rural areas. In 2022, KMB awarded 85 grants totaling \$320,000, both of which were record figures. The increase of funds proposed by HB 631 would be a much welcomed addition of funds to the program.

**BILL EXPLANATION:**

---

HB 631 establishes goals and programs related to land conservation in Maryland. It establishes a goal that 30% of the lands in the state will be conserved by 2030, and a goal that 40% of the lands will be conserved by 2040. The bill establishes the new Local Land Trust Revolving Loan Program to be administered by MET for providing loans to land trusts in the State to purchase land for conservation purposes, and it creates a \$10 million revolving loan fund as a special, nonlapsing fund starting in FY 2025. HB 631 provides annual funding starting in FY 2025 to MET to be used for providing grants through MET's Keep Maryland Beautiful Program. The bill establishes a new 40 x 40 Land Conservation Implementation Grant Program to be administered by MET to support implementation of land conservation goals in the State. Finally, the bill requires the Smart Growth Subcabinet to coordinate land conservation partners' efforts in meeting and reporting the State's conservation goals.

BY:

(To be offered in the Environment and Transportation Committee)

AMENDMENTS TO HOUSE BILL 631

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after “purposes;” insert “increasing the number of Maryland Environmental Trust full-time employees to administer the Local Land Trust Revolving Loan Program; establishing the elements of the Local Land Trust Revolving Loan Program;” and in line 11, after “Program;” insert “increasing the number of Maryland Environmental Trust full-time employees to administer the grant programs;”.

AMENDMENT NO. 2

On page 3, after line 27, insert:

**“(C) ON OR BEFORE OCTOBER 1, 2024, THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL INCREASE THE NUMBER OF FULL-TIME EMPLOYEES IN THE TRUST BY ONE PERMANENT, CLASSIFIED POSITION TO ADMINISTER THE GRANTS IN PARAGRAPH (B)(1) OF THIS SECTION.**

**(D) FOR FISCAL YEAR 2025, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION IN AN AMOUNT NECESSARY TO FUND THE ONE PERMANENT, CLASSIFIED POSITION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION AND RELATED OPERATING COSTS.**

AMENDMENT NO. 3

On page 4, after line 7, insert:

**“(F) “LAND TRUST” HAS THE MEANING STATED IN § 3-2A-01(D) OF THIS ARTICLE.”;**

in line 8, strike “(F)” and substitute “(G)”; after line 9, insert:

**(H) “TRUST” MEANS THE MARYLAND ENVIRONMENTAL TRUST.”;**

strike beginning with the second “AND” in line 14 down through “MANNER” in line 16; in line 18, after “PURCHASE” insert “FEE SIMPLE OR EASEMENT INTERESTS IN REAL”; in the same line, after “PROPERTY” insert “FOR CONSERVATION PURPOSES”; in line 26, after “UNDER” insert “A CONSERVATION”; and after line 28, insert:

“(D) NOTHING IN THIS SECTION OBLIGATES A STATE OR LOCAL GOVERNMENT ENTITY TO ACCEPT OR PURCHASE FROM A LAND TRUST A CONSERVATION EASEMENT OR TRANSFERRED PROPERTY PURCHASED WITH A PROGRAM LOAN.

(E) NOTWITHSTANDING PARAGRAPH (C)(2) OF THIS SECTION, A LAND TRUST SHALL REPAY A PROGRAM LOAN AND ANY ACCRUED INTEREST NOT LESS THAN FIVE YEARS AFTER RECEIVING THE PROGRAM LOAN, UNLESS THE BOARD OF TRUSTEES APPROVES AN EXTENSION OF TIME BASED ON EXTENUATING CIRCUMSTANCES.

(F) EXCEPT AS AUTHORIZED IN THIS SUBTITLE, THE TRUST MAY SET THE TERMS AND CONDITIONS FOR THE PROGRAM LOANS.

(G) IF THE TRUST APPROVES AN APPLICANT’S REQUEST FOR A PROGRAM LOAN, THE TRUST SHALL PREPARE THE LOAN DOCUMENTS.

(H) IF A LAND TRUST VIOLATES ANY PROVISION OF THE LOAN DOCUMENTS OR CEASES TO MEET THE REQUIREMENTS OF THIS SUBTITLE, ON REASONABLE NOTICE TO THE LAND TRUST, THE TRUST MAY EXERCISE ANY REMEDY AVAILABLE UNDER LAW, INCLUDING ANY REMEDIES PROVIDED FOR IN THE LOAN DOCUMENTS.”

(I) (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR REPORT, INCLUDING ANY UNDERSTATEMENT OR OVERSTATEMENT OF FINANCIAL CONDITION FOR A NEW LOAN OR AFFECTING A LOAN ALREADY MADE UNDER THIS SUBTITLE:

(i) IN ANY APPLICATION OR IN ANY DOCUMENT FURNISHED TO THE TRUST; OR

(ii) FOR THE PURPOSE OF INFLUENCING THE ACTION OF THE TRUST ON AN APPLICATION FOR FINANCIAL ASSISTANCE OR FOR THE PURPOSE OF INFLUENCING ANY ACTION OF THE TRUST AFFECTING FINANCIAL ASSISTANCE WHETHER OR NOT SUCH ASSISTANCE MAY HAVE ALREADY BEEN EXTENDED.

(2) ANY PERSON OR ANY AIDER OR ABETTOR, WHO VIOLATES ANY PROVISION OF THIS SUBTITLE, IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$50,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.”

AMENDMENT NO. 4

On page 5, after line 2, insert:

**“(E) ON OR BEFORE OCTOBER 1, 2024, THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL INCREASE THE NUMBER OF FULL-TIME EMPLOYEES IN THE TRUST BY THREE PERMANENT, CLASSIFIED POSITIONS TO ADMINISTER THE PROGRAM.**

**(F) FOR FISCAL YEAR 2025, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION IN AN AMOUNT NECESSARY TO FUND THE THREE PERMANENT, CLASSIFIED POSITIONS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION AND RELATED OPERATING COSTS.**

**(G) THE TRUST SHALL ESTABLISH APPLICATION PROCEDURES AND ELIGIBILITY CRITERIA FOR PROGRAM LOANS.”;**

in line 3, strike “(E)” and substitute “(H)”; in line 7, strike beginning with “FINAL” through “COMMITTEE” and substitute “CONSIDERATION BY THE BOARD OF TRUSTEES”; and strike beginning with “EXECUTIVE” in line 8 down through “COMMITTEE” in line 9 and substitute “BOARD OF TRUSTEES”.

**AMENDMENT NO. 6**

On page 6, in line 10, after “EARNINGS;” insert

**“(3) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS MADE FROM THE FUND;”**

and in line 11, strike “(3)” and substitute “(4)”.

**AMENDMENT NO. 7**

On page 9, strike beginning with “(D)” in line 1 down through “WEBSITE.” in line 17.