



Senate Bill 273

State Forest, State Park, and Wildlife Management Area Revenue Equity Program

MACo Position: **SUPPORT**

Date: March 29, 2017

To: Environment and Transportation Committee

From: Leslie Knapp, Jr. and Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** SB 273. The bill would address a longstanding funding shortfall to certain counties for their acreage of State forests, parks, and wildlife management areas.

As amended, the bill would establish a Revenue Equity Program which would provide counties with at least 40,000 acres of State forests, State parks and wildlife management areas with State funding, allocated through an analog to a Payment In Lieu of Taxes (PILOT) program, in fairly wide use across Maryland. Beginning in Fiscal 2019, the State would pay the qualifying counties the amount they would receive in property taxes if the land were not government-owned. Five counties currently have at least 40,000 acres of applicable land and qualify for the benefits provided by the bill: Allegany, Dorchester, Garrett, Somerset, and Worcester.

SB 273 will serve as an appropriate incentive to counties to preserve their State forests, parks, and wildlife management areas. As State lands or designated wildlife areas, these properties are exempt from the local property tax, which is the counties' top revenue source. These State lands comprise as much as 20% of the total land mass in some counties. Property revenues fund a large portion of county expenditures from which these lands benefit, including law enforcement, emergency management services, stormwater infrastructure, and roadways. Providing services to these areas without revenues for this specific purpose draws funds away from other parts of the county budget.

A program has existed to provide some level of payment to counties with State forest and park lands through revenues derived from these areas - including net revenues from concession operations - but these payments have been reduced significantly in recent years to balance the State's budget.

SB 273 would provide a consistent revenue stream to offset losses in property tax revenues and fund the public services provided in these areas. For this reason, MACo would urge a **FAVORABLE** report on SB 273.