

HOUSE BILL 631

M1

3lr1856
CF SB 470

By: **Delegate Stein**

Introduced and read first time: February 3, 2023

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2023

CHAPTER _____

1 AN ACT concerning

2 **Natural Resources – Land Conservation – Establishment of Goals and Programs**
3 **(Maryland the Beautiful Act)**

4 FOR the purpose of establishing certain goals and programs related to land conservation;
5 establishing the Local Land Trust Revolving Loan Program to provide loans to
6 certain land trusts to purchase land for conservation purposes; establishing the Local
7 Land Trust Revolving Loan Fund as a special, nonlapsing fund; requiring interest
8 earnings of the Fund to be credited to the Fund; ~~requiring~~ authorizing the Governor,
9 beginning in a certain fiscal year, to include in the annual budget bill a certain
10 appropriation to the Maryland Environmental Trust to be used to provide certain
11 grants through the Keep Maryland Beautiful Program; establishing the 40 x 40 Land
12 Conservation Implementation Grant Program to support implementation of land
13 conservation goals; authorizing certain excess revenue from the transfer tax
14 collected in a certain fiscal year to be allocated to the Local Land Trust Revolving
15 Loan Fund; and generally relating to land conservation in the State.

16 BY adding to
17 Article – Natural Resources
18 New part designation “Part I. General Provisions” to immediately precede Section
19 3–201; Section 3–214 through 3–216 to be under the new part “Part II. Local
20 Land Trust Revolving Loan Program”; and 5–104
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Natural Resources
Section 3–210
Annotated Code of Maryland
(2018 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii) 170. and 171.
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii) 172.
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 13–209(f)(1)
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the new part designation “Part I. General Provisions” be added to immediately
precede Section 3–201 of Article – Natural Resources of the Annotated Code of Maryland.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
as follows:

Article – Natural Resources

3–210.

(A) (1) Any function or activity of the Governor’s Committee to Keep Maryland
Beautiful is transferred to the Trust.

(2) These functions and activities include, by way of enumeration and not
limitation:

1 [(1)] (I) Educating Maryland citizens and visitors in their individual
2 responsibility in litter prevention and care of the out-of-doors through a two-fold
3 approach:

4 [(i)] 1. Awareness—publicity through radio, TV, newspapers, and
5 other public media; and

6 [(ii)] 2. Action—cleanup and beautification projects carried out by
7 civic organizations, county committees, and community groups in cooperation with public
8 agencies;

9 [(2)] (II) Efficient use of public and private funds spent on cleaning up
10 highways, parks, beaches, and other public and private property;

11 [(3)] (III) Increasing beauty through stimulation of private business,
12 community, and public planting projects; and

13 [(4)] (IV) Stimulating pride and appreciation for home, community, and
14 State.

15 (B) (1) IN FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE
16 GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION
17 OF \$235,000 TO THE TRUST, TO BE USED IN THE FOLLOWING AMOUNTS FOR THE
18 FOLLOWING PURPOSES:

19 (I) \$50,000 PER YEAR TO PROVIDE LAND STEWARDSHIP
20 CAPACITY-BUILDING GRANTS OF UP TO \$10,000 TO LAND TRUSTS TO SUPPORT
21 MONITORING AND STEWARDSHIP SCHOLARSHIPS, LAND MONITORING AND
22 STEWARDSHIP EQUIPMENT, OR ORGANIZATIONAL ACCREDITATION AND
23 CERTIFICATION TRAININGS;

24 (II) \$50,000 PER YEAR TO PROVIDE LAND STEWARDSHIP
25 IMPROVEMENT GRANTS OF UP TO \$10,000 TO LAND TRUSTS TO SUPPORT IMPROVED
26 MONITORING AND STEWARDSHIP OF AGRICULTURAL LANDS, FOREST LANDS, OR
27 LANDS FACING A HIGH DEGREE OF THREAT FROM INVASIVE SPECIES OR THE
28 EFFECTS OF CLIMATE CHANGE; AND

29 (III) \$135,000 PER YEAR TO PROVIDE CITIZEN STEWARDSHIP
30 GRANTS OF UP TO \$5,000 TO NONPROFIT ORGANIZATIONS, COMMUNITY
31 ORGANIZATIONS, SCHOOLS, AND MUNICIPAL CORPORATIONS TO ENGAGE
32 COMMUNITY MEMBERS, ESPECIALLY CHILDREN AND YOUNG ADULTS, IN
33 ENVIRONMENTAL EDUCATION AND STEWARDSHIP.

34 (2) FUNDS PROVIDED TO THE TRUST UNDER PARAGRAPH (1) OF THIS
35 SUBSECTION ARE SUPPLEMENTAL TO AND ARE NOT INTENDED TO TAKE THE PLACE

1 OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED TO THE TRUST FOR
2 GRANTS ADMINISTERED UNDER THE KEEP MARYLAND BEAUTIFUL PROGRAM.

3 **3-212. RESERVED.**

4 **3-213. RESERVED.**

5 **PART II. LOCAL LAND TRUST REVOLVING LOAN PROGRAM.**

6 **3-214.**

7 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (B) "ADVISORY COMMITTEE" MEANS THE LAND PRESERVATION RAPID
10 RESPONSE ADVISORY COMMITTEE.

11 (C) "BOARD OF TRUSTEES" MEANS THE BOARD OF TRUSTEES OF THE
12 MARYLAND ENVIRONMENTAL TRUST.

13 (D) "EXECUTIVE COMMITTEE" MEANS THE EXECUTIVE COMMITTEE OF THE
14 MARYLAND ENVIRONMENTAL TRUST.

15 (E) "FUND" MEANS THE LOCAL LAND TRUST REVOLVING LOAN FUND.

16 (F) "PROGRAM" MEANS THE LOCAL LAND TRUST REVOLVING LOAN
17 PROGRAM.

18 **3-215.**

19 (A) THERE IS A LOCAL LAND TRUST REVOLVING LOAN PROGRAM.

20 (B) THE PURPOSE OF THE PROGRAM IS TO:

21 (1) SUPPORT THE EFFORTS OF LOCAL LAND TRUSTS THAT WORK
22 WITH STATE AND LOCAL GOVERNMENTAL ENTITIES AND THAT HAVE DIFFICULTY
23 ACCESSING MONEY FROM EXISTING PROGRAM OPEN SPACE PRESERVATION
24 PROGRAMS IN A TIMELY MANNER; AND

25 (2) PROVIDE REVOLVING LOANS TO LAND TRUSTS ON A ROLLING
26 BASIS TO ASSIST THE LAND TRUSTS TO PURCHASE PROPERTY.

27 (C) A LAND TRUST THAT RECEIVES A PROGRAM LOAN TO PURCHASE
28 PROPERTY IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION SHALL REPAY
29 THE FUND:

1 (1) AT A RATE TO BE DETERMINED BY THE MARYLAND
2 ENVIRONMENTAL TRUST, NOT TO EXCEED ONE POINT BELOW THE PRIME INTEREST
3 RATE; AND

4 (2) AFTER THE PROPERTY IS:

5 (I) PLACED UNDER EASEMENT; OR

6 (II) TRANSFERRED TO A STATE OR LOCAL GOVERNMENTAL
7 ENTITY.

8 (D) THE PROGRAM IS ADMINISTERED BY THE MARYLAND ENVIRONMENTAL
9 TRUST.

10 (E) (1) THERE IS A LAND PRESERVATION RAPID RESPONSE ADVISORY
11 COMMITTEE.

12 (2) THE PURPOSE OF THE ADVISORY COMMITTEE IS TO:

13 (I) REVIEW AND PRIORITIZE PROGRAM LOAN APPLICATIONS
14 FOR FINAL APPROVAL BY THE EXECUTIVE COMMITTEE; AND

15 (II) MAKE RECOMMENDATIONS TO THE EXECUTIVE
16 COMMITTEE ON:

17 1. WHICH PROJECTS TO FUND, WHETHER IN WHOLE OR
18 IN PART; AND

19 2. THE FUNDING TO BE ALLOCATED TO EACH PROJECT.

20 (3) THE ADVISORY COMMITTEE CONSISTS OF:

21 (I) A REPRESENTATIVE OF THE DEPARTMENT, SELECTED BY
22 THE SECRETARY; AND

23 (II) THE FOLLOWING MEMBERS, SELECTED BY THE BOARD OF
24 TRUSTEES:

25 1. A REPRESENTATIVE OF THE MARYLAND
26 ENVIRONMENTAL TRUST THAT IS NOT A MEMBER OF THE EXECUTIVE COMMITTEE;

27 2. A REPRESENTATIVE OF A NONPROFIT LAND
28 CONSERVATION ORGANIZATION IN THE STATE;

1 3. A REPRESENTATIVE OF A LOCAL PARKS AND
2 RECREATION DEPARTMENT IN THE STATE; AND

3 4. AN INDIVIDUAL WITH EXPERIENCE IN LOAN
4 UNDERWRITING.

5 3-216.

6 (A) THERE IS A LOCAL LAND TRUST REVOLVING LOAN FUND.

7 (B) THE PURPOSE OF THE FUND IS TO FINANCE THE PROGRAM.

8 (C) THE MARYLAND ENVIRONMENTAL TRUST SHALL ADMINISTER THE
9 FUND.

10 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
11 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

12 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
13 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

14 (E) THE FUND CONSISTS OF:

15 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

16 (2) INTEREST EARNINGS; AND

17 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
18 THE BENEFIT OF THE FUND.

19 (F) ~~IN FISCAL YEAR 2025, THE~~ THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE
20 ANNUAL BUDGET BILL AN APPROPRIATION ~~OF \$10,000,000~~ TO THE FUND.

21 (G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING FOR THE
22 PROGRAM.

23 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
24 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

25 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
26 THE FUND.

27 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
28 WITH THE STATE BUDGET.

(J) MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

5-104.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CONSERVE" MEANS TO PERMANENTLY PROTECT LAND FROM DEVELOPMENT THROUGH PURCHASE, DONATION, A PERPETUAL CONSERVATION OR AN OPEN SPACE EASEMENT, OR FEE OWNERSHIP IN ORDER TO PRESERVE THE CULTURAL, HISTORICAL, ECOLOGICAL, OR AGRICULTURAL VALUE OF THE LAND.

(3) "PROGRAM" MEANS THE 40 X 40 LAND CONSERVATION IMPLEMENTATION GRANT PROGRAM ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

(4) "SMART GROWTH SUBCABINET" MEANS THE SMART GROWTH SUBCABINET ESTABLISHED UNDER § 9-1406 OF THE STATE GOVERNMENT ARTICLE.

(5) "TRUST" MEANS THE MARYLAND ENVIRONMENTAL TRUST.

(B) (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:

(I) BY 2030, 30% OF LANDS IN THE STATE BE CONSERVED; AND

(II) BY 2040, 40% OF LANDS IN THE STATE BE CONSERVED.

(2) THE CONSERVATION GOALS ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ACCOMPLISHED THROUGH MULTIPLE EFFORTS, INCLUDING:

(I) WORKING WITH LOCAL COMMUNITIES, COUNTIES, MUNICIPALITIES, AMERICAN INDIAN COMMUNITIES, AND PRIVATE LANDOWNERS TO CONSERVE NATURAL PLACES AND RESOURCES;

(II) IMPROVING ACCESS TO NATURE FOR ALL INDIVIDUALS IN THE STATE, INCLUDING COMMUNITIES OF COLOR AND ECONOMICALLY DISADVANTAGED COMMUNITIES;

(III) SEQUESTERING CARBON AND GREENHOUSE GAS EMISSIONS IN THE LANDS AND WATERS OF THE STATE;

(IV) INCREASING PUBLIC INCENTIVES FOR PRIVATE LANDOWNERS TO VOLUNTARILY CONSERVE AND PROTECT AREAS OF DEMONSTRATED CONSERVATION VALUE AND AREAS THAT HAVE A HIGH CAPACITY TO SEQUESTER CARBON AND GREENHOUSE GAS EMISSIONS;

(V) FOCUSING CONSERVATION WORK AT A LARGE LANDSCAPE SCALE THAT IS BIOLOGICALLY AND ECOLOGICALLY MEANINGFUL;

(VI) PREVENTING THE EXTINCTION OF NATIVE PLANT AND ANIMAL SPECIES BY RECOVERING AND RESTORING THE SPECIES;

(VII) STABILIZING ECOSYSTEMS AND ECOSYSTEM SERVICES, RESTORING DEGRADED ECOSYSTEMS, AND MAINTAINING ECOLOGICAL FUNCTIONS; AND

(VIII) INCREASING ECONOMIC OPPORTUNITIES FOR FARMERS, RANCHERS, FISHERS, AND FORESTERS.

(C) (1) THE TRUST SHALL ADMINISTER A 40 X 40 LAND CONSERVATION IMPLEMENTATION GRANT PROGRAM TO SUPPORT IMPLEMENTATION OF THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.

(2) PROGRAM GRANTS SHALL:

(I) BE AWARDED EACH YEAR ON A COMPETITIVE BASIS TO A STATEWIDE NONPROFIT ORGANIZATION THAT FOCUSES ON SUPPORTING THE PERMANENT CONSERVATION OF THE LANDS OF THE STATE; AND

(II) PROVIDE AT LEAST:

1. \$150,000 TO THE GRANT RECIPIENT FOR THE PURPOSE OF PROVIDING TOOLS AND RESOURCES, ORGANIZATIONAL SUPPORT, AND CAPACITY BUILDING TO LOCAL LAND TRUSTS; AND

2. \$100,000 TO THE GRANT RECIPIENT FOR THE PURPOSE OF PROVIDING STATEWIDE EDUCATIONAL CONFERENCES AND TRAININGS FOR LOCAL LAND TRUSTS ON THE TOPICS OF EASEMENT ACQUISITION, CONSERVATION PROGRAMS AND TOOLS, LAND MANAGEMENT AND STEWARDSHIP, AND OTHER RELEVANT SUBJECTS.

(3) IN FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION

1 OF \$250,000 TO THE TRUST FOR THE PURPOSE OF PROVIDING THE GRANTS
2 REQUIRED UNDER THIS SUBSECTION.

3 (D) (1) IN ORDER TO MEET THE CONSERVATION GOALS ESTABLISHED
4 UNDER SUBSECTION (B) OF THIS SECTION, THE SMART GROWTH SUBCABINET, IN
5 COORDINATION WITH RELEVANT STAKEHOLDERS, SHALL:

6 (I) COORDINATE THE ACTIONS OF STATE AGENCIES, LOCAL
7 GOVERNMENTS, AND NONGOVERNMENTAL PARTNERS;

8 (II) ON OR BEFORE JULY 1, 2024, DEVELOP AND PUBLISH A
9 PLAN TO MEET THE STATE'S CONSERVATION GOALS AND UPDATE THE PLAN AS
10 NEEDED, BUT NOT LESS THAN EVERY 5 YEARS THEREAFTER; AND

11 (III) ON OR BEFORE DECEMBER 1, 2024, AND EACH DECEMBER
12 1 THEREAFTER, REPORT TO THE SENATE EDUCATION, ENERGY, AND THE
13 ENVIRONMENT COMMITTEE AND THE HOUSE ENVIRONMENT AND
14 TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE
15 GOVERNMENT ARTICLE, ON THE STATE'S PROGRESS TOWARD MEETING THE
16 CONSERVATION GOALS.

17 (2) THE SMART GROWTH SUBCABINET SHALL MAKE THE ANNUAL
18 REPORT REQUIRED UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION AVAILABLE ON
19 ITS WEBSITE.

20 **Article – State Finance and Procurement**

21 6-226.

22 (a) (2) (i) Notwithstanding any other provision of law, and unless
23 inconsistent with a federal law, grant agreement, or other federal requirement or with the
24 terms of a gift or settlement agreement, net interest on all State money allocated by the
25 State Treasurer under this section to special funds or accounts, and otherwise entitled to
26 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
27 Fund of the State.

28 (ii) The provisions of subparagraph (i) of this paragraph do not apply
29 to the following funds:

30 170. the Cannabis Public Health Fund; [and]

31 171. the Community Reinvestment and Repair Fund; AND

32 172. THE LOCAL LAND TRUST REVOLVING LOAN FUND.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
2 as follows:

3 **Article – Tax – Property**

4 13–209.

5 (f) (1) (i) Except as provided in subparagraphs (ii) and (iii) of this
6 paragraph, for any fiscal year in which the actual transfer tax revenue collections are
7 greater than the revenue estimates used as the basis for the appropriations required under
8 this section for the fiscal year, the amount of the excess shall be allocated to the special
9 fund under subsection (a) of this section as provided under subsections (c) and (d) of this
10 section for the second fiscal year following the fiscal year in which there is an excess.

11 (ii) **1.** Notwithstanding subparagraph (i) of this paragraph or
12 any other provision of law, \$21,776,868 of the transfer tax collected but not appropriated
13 or transferred in fiscal 2004 shall be transferred to the General Fund of the State.

14 **2.** **NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS**
15 **PARAGRAPH OR ANY OTHER PROVISION OF LAW, IF IN FISCAL YEAR 2023 THE**
16 **ACTUAL TRANSFER TAX REVENUE COLLECTIONS ARE GREATER THAN THE REVENUE**
17 **ESTIMATES USED AS THE BASIS FOR THE APPROPRIATIONS REQUIRED UNDER THIS**
18 **SECTION FOR FISCAL YEAR 2025, THE AMOUNT OF THE EXCESS MAY BE ALLOCATED**
19 **TO THE LOCAL LAND TRUST REVOLVING LOAN FUND.**

20 (iii) Notwithstanding subparagraph (i) of this paragraph or any other
21 provision of law, in any fiscal year in which an appropriation or transfer is made from the
22 special fund to the General Fund, if the actual transfer tax revenue collections for the prior
23 fiscal year exceed the budget estimate for the prior fiscal year, the excess shall be allocated
24 in the current fiscal year for Program Open Space, the Agricultural Land Preservation
25 Fund, the Rural Legacy Program, and the Heritage Conservation Fund. Funds made
26 available under this subparagraph shall be allocated as provided under subsection (d) of
27 this section.

28 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2023. Section 3 of this Act shall remain effective for a period of 3 years and, at
30 the end of September 30, 2026, Section 3 of this Act, with no further action required by the
31 General Assembly, shall be abrogated and of no further force and effect.