



*Larry Hogan, Governor*  
*Boyd Rutherford, Lt. Governor*  
*Mark Belton, Secretary*  
*Joanne Throwe, Deputy Secretary*

---

September 28, 2018

The Honorable Joan Carter Conway  
Chair, Senate Education, Health and Environmental Affairs Committee  
Miller Senate Office Building, 2 West Wing  
11 Bladen Street  
Annapolis, Maryland 21401

The Honorable Kumar Barve  
Chair, House Environmental Matters Committee  
House Office Building, Room 251  
6 Bladen Street  
Annapolis, Maryland 21401

Dear Chairs:

I am pleased to provide you this report on the status of the Woodland Incentive Fund for FY 17 (MSAR #10403).

The Sustainable Forestry Act of 2009 (SB 549) amended the Woodland Incentive Fund (Natural Resources Article, Section 5-307) to significantly broaden the scope of the use of the fund. Prior to the change, the fund could be used only for landowner cost-share assistance and administrative costs. The Act added to the authorized uses of the fund: offset the costs of preparing forest stewardship plans on privately owned forest land; provide annual grants to the Forest Conservancy District Boards to help facilitate their outreach efforts to encourage forest landowners to develop forest stewardship and other forest conservation plans; establish a Forest Health Emergency Contingency Program to help maintain the health and vitality of forest land and prevent or control large degradation caused by natural threats; provide financial assistance for the administration of an Urban and Community Forestry Program; help fund a forest marketing and utilization program in the Department of Natural Resources (DNR) to help support, stimulate and enhance the production of value-added wood products; help DNR, in cooperation with other public and private entities, develop and expand forest mitigation banking, carbon credit, clean water credit trading and environmental services credit training programs; and to help offset the administrative costs for providing staff assistance to the Sustainable Forestry Council.

The Act also altered the funding sources to include a portion of the revenues from forestry practices on designated lands owned and managed by the department, subject to approval by the Secretary and the Board of Public Works. Other funding sources are the woodland transfer tax and surcharge and various fees for landowner services.

Revenue derived from forestry practices on designated lands owned and managed by the department for FY 17 totaled \$1,081,997. For the purpose of this report, these funds are timber sale revenue from State Forests and the Chesapeake Forest Lands. These funds are deposited in the Forest and Park Reserve Fund (FPRF). Although the statute allows a portion of these funds to be moved to the Woodland Incentive Fund (WIF), none were moved this fiscal year. There was sufficient funding remaining in the WIF to cover the expenditures during the fiscal year. The timber harvest revenue remained in the FPRF as part of the Maryland Forest Service special fund budget. Most of the expanded scope of the WIF is also funded through the FPRF. Moving the funds from one special fund to another was unnecessary to accomplish our objectives.

The following is a summary of revenue and expenditures for the Woodland Incentive Fund during FY 17.

**Revenue**

Woodland Transfer Tax	7,617
Woodland Transfer Tax Surcharge	1,844
Forest Stewardship Plan Preparation	112,075
Timber Stand Improvement Marking	3,243
Planting Site Exams	30
Management Plan Inspections	67,909
Forestry Services Coordination	2,032
Misc. fees	310
Total	195,442

**Expenditures**

Cost-share reimbursement to landowners	134,152
Grant to Forestry Board Foundation	21,570
Funds paid to OOS	28,414
Total	184,136

The WIF had a FY 17 beginning balance of \$404,697. The end of year balance in the WIF is \$416,003.

Sincerely,



Mark Belton  
Secretary

cc: Sarah Albert, Mandated Reports Specialist, Legislative Library (5 copies)