



*Larry Hogan, Governor*  
*Boyd K. Rutherford, Lt. Governor*  
*Mark J. Belton, Secretary*  
*Mark L. Hoffman, Acting Deputy Secretary*

October 19, 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 Senator Conway and Delegate Barve:

I am pleased to provide you this report on the status of the Woodland Incentive Fund for FY18.

The Woodland Incentive Fund (Natural Resources Article, Section 5-307) may be used for landowner cost-share assistance and administrative costs; to 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.

Funding sources 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, as well as 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 FY2018 totaled \$755,840. These funds consist of timber sale revenues from State Forests and the Chesapeake Forest Lands and are deposited in the Forest and Park Reserve Fund (FPRF). We had no need this year to transfer any of these funds to the Woodland Incentive Fund (WIF).

The following is a summary of revenue and expenditures for the Woodland Incentive Fund during FY2018.

**Revenue**

Woodland Transfer Tax	\$75,534.00
Ag.Trans.Tax -Woodland surcharge	\$18,883.50
Forest Cons.&Mgt Agreement	\$100.00
Forest Stewardship Plans	\$104,171.03
Timber Stand Improvement Svcs.	\$1,655.60
Planting Site Exams	\$130.00
Management Plan Inspections	\$63,073.80
Forestry Services Coordination	\$2,600.00
Forestry Equipment Rental	\$180.60
Fire Damage Claims	\$225.00
	\$0.00

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Total	<b>\$266,553.53</b>
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**Expenditures**

Cost-share to landowners	\$149,534.73
Grant to Forestry Board Foundation	\$26,180.00
Funds paid to OOS	\$34,500.00
Contractual wages	\$5,000.00
Bad debt expense	\$0.00

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Total	<b>\$215,214.73</b>
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The WIF had a FY18 beginning balance of \$416,002.92. The end of year balance in the WIF is \$467,341.72.

Sincerely,



Mark Belton  
Secretary

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