

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1207 (Delegate Hinebaugh)
 Environment and Transportation

State Lakes Protection and Restoration Fund - Alteration and Mandatory
 Appropriation

This bill modifies the purpose of the State Lakes Protection and Restoration Fund to include the protection and/or restoration of State-managed (in addition to State-owned) lakes and restores (in statute) specified authorized uses of the fund (see Current Law) that were removed with the termination of Chapter 698 of 2018. The bill requires the Governor to include in the annual budget bill for fiscal 2028 and 2029 an appropriation of \$500,000 to the fund to be used solely for the protection and restoration of Deep Creek Lake. **The bill takes effect July 1, 2026, and terminates June 30, 2029.**

Fiscal Summary

State Effect: General fund expenditures increase by \$500,000 in FY 2028 and 2029. Special fund revenues and expenditures increase correspondingly by \$500,000 in FY 2028 and 2029. **This bill establishes a mandated appropriation for FY 2028 and 2029.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0	\$500,000	\$500,000	\$0	\$0
GF Expenditure	\$0	\$500,000	\$500,000	\$0	\$0
SF Expenditure	\$0	\$500,000	\$500,000	\$0	\$0
Net Effect	\$0	(\$500,000)	(\$500,000)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapters 404 and 405 of 2017 first established the State Lakes Protection and Restoration Fund, administered by the Secretary of Natural Resources, to protect and restore State-owned lakes. Under Chapters 404 and 405, the fund consisted of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Chapter 698 of 2018, however, required the Governor to include in the annual budget bill an appropriation of \$1.0 million to the fund for fiscal 2020 and each fiscal year thereafter and expanded the authorized uses of the fund in the manner discussed in the following paragraph. Originally, Chapter 698 was subject to a June 30, 2022 termination date; however, Chapter 39 extended the termination date of Chapter 698 to June 30, 2025.

Chapters 698 and 39 explicitly authorized the fund to be used to protect or restore State-owned and State-managed lakes by (1) removing sediment; (2) treating contaminated sediment; (3) preventing the spread of invasive species; (4) improving ecological and recreational value; and (5) taking any other action the Department of Natural Resources determined necessary.

State Fiscal Effect: General fund expenditures increase by \$500,000 in fiscal 2028 and 2029, which reflects the mandated appropriations for the State Lakes Protection and Restoration Fund in fiscal 2028 and 2029.

Special fund revenues to the fund and expenditures from the fund increase correspondingly by \$500,000 in fiscal 2028 and 2029, which reflects the receipt of the mandated funding and corresponding spending. It is assumed that the entire mandated appropriation is spent in each year.

Small Business Effect: Small businesses may meaningfully benefit from the opportunity to bid on protection and restoration projects funded by the additional funding provided under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 684 of 2025.

Designated Cross File: None.

Information Source(s): Department of Natural Resources; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
jg/sdk

Analysis by: Beatrice F. Amoateng

Direct Inquiries to:
(410) 946-5510
(301) 970-5510