

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 257 (Senator Simonaire)
Education, Energy, and the Environment

Mel Noland Woodland Incentives and Fellowship Fund - Reporting

This bill requires the Department of Natural Resources (DNR) to report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee, by September 30 of each year, on (1) the amount of proceeds distributed to the Mel Noland Woodland Incentives and Fellowship Fund (MNWIFF) during the immediately preceding year from the agricultural land transfer tax imposed on instruments of writing that transfer title to parcels of land that are entirely woodland and (2) if DNR is uncertain about the total amount of such proceeds that are required to be distributed to the fund, the uncertainties and the actions required to resolve them. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: None. The bill's requirements can be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Mel Noland Woodland Incentives and Fellowship Fund

MNWIFF, administered by DNR, is used for various purposes, including the (1) the Woodland Incentives Program, and the cost-share assistance under the program and (2) the Mel Noland Fellowship Program. The Woodland Incentives Program assists eligible

landowners in conducting woodland management and the Mel Noland Fellowship program supports students seeking a career in fields relating to natural resources.

The fund consists of (1) up to \$200,000 annually of the proceeds of the agricultural land transfer tax that are attributable to the taxation of instruments of writing that transfer title to parcels of land that are entirely woodland; (2) revenues collected by DNR from the payment of charges imposed for its assistance in implementation of an approved practice; (3) money distributed from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund; (4) a portion of the revenues derived from the forestry practices on designated lands owned and managed by DNR; and (5) specified mandated appropriations to the Fund.

By September 30 of each year, DNR must report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee on the use of funds credited to MNWIFF including an identification of and the reasons for those revenues derived from forestry practices on designated lands owned and managed by DNR that were not credited to the fund.

Agricultural Land Transfer Tax

Subject to specified exemptions, an agricultural land transfer tax is imposed on an instrument of writing that transfers title to agricultural land. A portion of the tax is retained by the county in which it was collected and a portion is remitted to the Comptroller. Included among the revenue remitted to the State is all of the agricultural land transfer tax revenue generated from land that is *entirely* woodland. Up to \$200,000 of the revenue from woodland transfers and from a separate surcharge imposed on an instrument of writing that transfers title to agricultural land is deposited in MNWIFF each year.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 533 (Delegate Stein) - Environment and Transportation.

Information Source(s): Department of Natural Resources; State Department of Assessments and Taxation; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2026
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