

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 965 (Senator Rosapepe)

Education, Health, and Environmental Affairs Environmental Matters and Ways and Means

Maryland Smart Growth Investment Fund Workgroup

This bill requires the Secretary of the Department of Housing and Community Development (DHCD) to convene a workgroup to evaluate and make recommendations relating to creating the Maryland Smart Growth Investment Fund.

The bill takes effect June 1, 2013, and terminates May 31, 2014.

Fiscal Summary

State Effect: General fund expenditures increase by \$75,000 in FY 2014 only for contractual services to support the work of the workgroup. This analysis assumes that all costs related to those services are incurred in FY 2014, despite the bill's June 1, 2013 effective date. Revenues are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	0	0	0	0
Net Effect	(\$75,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup must:

- review national and international experience in analogous fund creation, management, and governance;
- design a management and governance model to help accelerate smart growth, revitalization, and sustainable development in areas of the State such as sustainable communities and transit-oriented developments;
- identify criteria for how money in the fund would be invested;
- examine potential funding sources, including institutional investors, high net worth investors, and public funds;
- examine investment instruments, including equity, debt, and guarantees;
- examine the benefits of developing “sidecar” funds that would be funded at the county level and would be coordinated with the Maryland Smart Growth Investment Fund; and
- design an investment and management model for the Maryland Smart Growth Investment Fund.

The Secretary of Housing and Community Development must report the workgroup’s findings and recommendations to the Governor and the General Assembly by December 31, 2013.

The bill specifies the membership of the workgroup. Workgroup members may not receive compensation but are entitled to reimbursement for expenses.

Background: A January 2013 report of the Concentrating Growth Workgroup of the Maryland Sustainable Growth Commission made several recommendations for “priority next steps for financing smart growth” in the State. The report noted recent progress with respect to financing smart growth but indicated that “work remains to better position brownfields and other areas in older existing communities for significant private-sector redevelopment investment.” The report included a recommendation for the establishment of a renewable funding mechanism for smart growth programs with the aim of raising at least \$35 million annually.

State Expenditures: General fund expenditures increase by \$75,000 in fiscal 2014 for contractual services to provide supplemental research, support the development of an investment and management model, and assist in preparation of a final report.

Any expense reimbursements for workgroup members and staffing costs for DHCD are assumed to be minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1170 (Delegate Lafferty) - Environmental Matters and Ways and Means.

Information Source(s): Department of Housing and Community Development, Department of Business and Economic Development, Maryland Department of Planning, Maryland Sustainable Growth Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2013
mc/lgc Revised - Enrolled Bill - April 16, 2013

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