

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 909

(Senator Middleton)

Finance

Economic Matters

**Tri-County Council for Southern Maryland - Financing Purchase or Lease of
Property by Other Entities**

This emergency bill authorizes the Tri-County Council for Southern Maryland, to accomplish the purposes of the council, to use any money available to it to finance the purchase or lease of property only by (1) one or more specified Southern Maryland counties; (2) the Maryland Food Center Authority (MFCA); or (3) another entity, as determined by the council, that is authorized to finance or purchase property. The council may finance the purchase or lease of property by any combination of Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's counties. If the council determines that money should be used for these purposes, in accordance with State procurement law, the council must request and evaluate proposals and then make a selection. The council may lease office space for its own use; otherwise the council is prohibited from owning or leasing property.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations. Authorizing additional financial transactions that the council may make does not affect funding for the council or MFCA. The FY 2016 budget includes \$150,000 for the council and \$868,000 in pay-as-you-go (PAYGO) special funds for the Southern Maryland Agricultural Development Commission (SMADC).

Local Effect: Each of the affected counties benefits to the extent that the council finances the purchase or lease of property on its behalf; however, the bill does not materially affect local government finances or operations.

Small Business Effect: None. The bill does not directly affect small businesses.

Analysis

Current Law: The council consists of 39 members, of whom 31 are voting members and 8 are nonvoting members. The council is a cooperative planning and development unit for Calvert, Charles, and St. Mary's counties. The purposes of the council are to (1) foster the physical, economic, and social development of the region and (2) use effectively the assistance provided to the region by the State. The council initiates and coordinates plans and projects for the development of human and economic resources of the region as a Southern Maryland planning and development unit. The council may:

- adopt a seal;
- sue;
- adopt bylaws and rules for the conduct of its business;
- enter into contracts and agreements;
- borrow money and accept advances, loans, grants, contributions, and any other form of assistance from the federal government, the State, or other public or private source;
- give any required security;
- include in any contract for financial assistance with the federal government any reasonable and appropriate condition imposed under federal law that is not inconsistent with the purposes of the council; and
- execute any instrument and act as necessary, convenient, or desirable to carry out its powers and the purposes of the council.

Background: The council's mission is to serve as a forum for the discussion and resolution of issues affecting the Southern Maryland region. Activities of the council include research, information management, and the preparation of a regional plan. All of the activities of the council are designed to assist federal, State, and county governments in better performing their respective duties. The fiscal 2016 budget includes \$150,000 for the council, which is consistent with prior-year funding levels.

SMADC is a part of the council and works with the council to develop programs to stabilize the region's agricultural economy as Maryland farmers transition away from tobacco production. Funds from the Cigarette Restitution Fund are appropriated annually to the Maryland Department of Agriculture, which then issues grants to the council. The fiscal 2015 budget includes \$2.2 million in PAYGO special funds and the fiscal 2016 budget includes \$868,000 in PAYGO special funds for SMADC.

According to documentation submitted by SMADC to the Department of Legislative Services, SMADC is investigating acquiring land in an area suitable to serve the Southern Maryland region in order to develop a regional Agri-Business and Center for Food

Innovation (known as a “food hub”), using approximately \$1.0 million of its fiscal 2015 PAYGO budget. Further SMADC is planning on using an unspecified amount of fiscal 2016 funding to continue support for this concept, although funds will be repurposed to their original intent of farm land preservation if the agricultural concept does not transpire.

However, the council (of which SMADC is a part) is not authorized in statute to acquire or own property. Thus, this legislation is needed in order for SMADC to implement the food hub concept, by allowing the council to finance the purchase of land by one or more of the specified Southern Maryland counties.

Maryland Food Center Authority

MFCA is located at the Maryland Food Center in Jessup, Maryland, and is a nonbudgeted agency. MFCA has a mission of enhancing and providing economic growth opportunities for the State’s agricultural-, seafood-, and food-related industries. MFCA develops and oversees authority projects.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Business and Economic Development, Maryland Food Center Authority, Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2015
mar/rhh Revised - Senate Third Reader - March 30, 2015
Revised - Enrolled Bill - May 13, 2015

Analysis by: Stephen M. Ross

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