

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 779 (Senator Rosapepe)
Education, Health, and Environmental Affairs

**Land Use - Proposed Development Project - Transit and Traffic Adequacy
Studies**

This bill requires a local jurisdiction to require that an appropriate transit adequacy study be prepared for a proposed development project if the local jurisdiction also requires a traffic adequacy study to be prepared for the proposed project.

Fiscal Summary

State Effect: State expenditures (all funds) may increase to the extent that State agencies sponsor affected development projects and are required to prepare transit adequacy studies. Any such impact cannot be reliably estimated. The Maryland Department of Planning (MDP) can provide assistance to local governments with existing budgeted resources. Revenues are not directly affected.

Local Effect: Local expenditures increase, potentially significantly, to train or hire staff to review and analyze transit adequacy studies submitted pursuant to the bill; however, these costs may be partially mitigated to the extent local governments receive assistance from MDP. To the extent that local jurisdictions sponsor affected projects, expenditures may increase to complete any required transit adequacy studies. Local revenues are not directly affected, but could be indirectly affected to the extent the bill alters the course of development that otherwise would occur.

Small Business Effect: Meaningful.

Analysis

Current Law/Background: Local governments enact Adequate Public Facility Ordinances (APFOs) to ensure that the infrastructure necessary to support any proposed new development is built concurrently with, or prior to, that new development. APFOs are an effort to time the provision of public facilities (water, sewer, schools, roads, and emergency services) to be consistent with development demand and local comprehensive plans. While APFOs can be a strong tool to influence and guide growth, they are more frequently used when certain public facilities have already reached capacity. For example, if an intersection near a proposed shopping center is already too congested, an APFO may require the local government or developer to alleviate the congestion before the development may proceed.

The Maryland Department of Transportation (MDOT) advises that requiring *transit* adequacy studies in addition to *traffic* adequacy studies is becoming a best practice for development projects in high density areas around the country. According to MDP's *2014 Annual Report*, 14 counties and 26 municipalities in Maryland had APFOs in calendar 2014. MDP advises that Montgomery County is the only local government that currently completes transit adequacy studies.

State Expenditures: MDOT advises that adequacy studies are generally completed or financed by the developer of a proposed project and, therefore, unless the State itself is the sponsor of an affected project, the bill does not directly affect State finances. However, if a State agency is the sponsor of an affected development project, State expenditures (multiple fund types) may increase to the extent the State agency is required to complete a transit adequacy study. Any such impact cannot be estimated.

MDP advises that, under the bill, it is able to provide technical assistance to local governments with existing budgeted resources.

Local Expenditures: Local governments may not have the technical expertise necessary to review and approve transit adequacy studies submitted by developers under the bill. Thus, local government expenditures likely increase in affected jurisdictions to train existing staff or hire new staff. The Maryland Association of Counties reports that these costs could be significant. The Department of Legislative Services notes that the costs to local jurisdictions could be mitigated somewhat to the extent local jurisdictions receive technical assistance from MDP.

In addition to the costs to review transit adequacy studies submitted by developers, if a local government itself is the sponsor of an affected development project, it may incur costs to complete or finance any required adequacy studies.

Small Business Effect: Costs increase for developers of affected projects to complete or finance transit adequacy studies. In some cases, the results of the transit adequacy study could have an impact on the outcome of the proposed project (*i.e.*, whether it may proceed). In addition, other small businesses could be affected to the extent the bill alters the course of development that would otherwise occur. Any such impact cannot be predicted.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning, Department of General Services, Maryland Department of Transportation, Department of Natural Resources, University System of Maryland, Montgomery County, Maryland Association of Counties, Department of Legislative Services

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