

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 225

(Chair, Environment and Transportation Committee, *et al.*) (By Request - Departmental - Planning)

Environment and Transportation

Education, Energy, and the Environment

Sustainable Growth Subcabinet and Repeal of the Office of Smart Growth

This departmental bill reorganizes and modifies provisions governing the Office of Smart Growth and the Smart Growth Subcabinet, including by repealing the Office of Smart Growth and transferring its powers and duties to the renamed Sustainable Growth Subcabinet.

Fiscal Summary

State Effect: The bill does not directly affect State finances.

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

Small Business Effect: The Maryland Department of Planning (MDP) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The bill (1) repeals the Office of Smart Growth and the position of Special Secretary of Smart Growth; (2) renames the Smart Growth Subcabinet to be the Sustainable Growth Subcabinet; and (3) transfers the powers and duties of the Office of Smart Growth to the Sustainable Growth Subcabinet.

The bill also replaces the term “smart growth” with “sustainable growth” throughout provisions governing the renamed Sustainable Growth Subcabinet and defines “sustainable

growth policy” under those provisions to mean the State Economic Growth, Resource Protection, and Planning Policy set forth in § 5-7A-01 of the State Finance and Procurement Article. Section 5-7A-01, under current law, establishes specified policy goals in the following areas: (1) quality of life and sustainability; (2) public participation; (3) growth areas; (4) community design; (5) infrastructure; (6) transportation; (7) housing; (8) economic development; (9) environmental protection; (10) resource conservation; (11) stewardship; and (12) implementation. The bill also replaces the term “neighborhood conservation” with “neighborhood vitality” under several provisions.

The bill (1) makes the Secretary of Planning the chair of the Sustainable Growth Subcabinet (replacing the Special Secretary of Smart Growth) and the Secretary of Housing and Community Development the vice chair, and (2) adds the Secretary of Emergency Management to the subcabinet. The bill also requires MDP to provide primary staff support for the Subcabinet (replacing the Office of Smart Growth) and serve as its primary office.

The bill modifies existing duties of the subcabinet by replacing “smart growth” with “equitable and resilient growth” as one of areas to be covered – along with development, neighborhood vitality, and resource management – in subcabinet discussions of local government issues with local elected leaders and planning officials. A requirement that the subcabinet work together to create, enhance, support, and revitalize sustainable communities across the State is modified to also refer to equitable (in addition to sustainable) communities.

Current Law:

Office of Smart Growth

Chapter 566 of 2001 established (1) the State’s commitment to addressing the high financial, social, and environmental costs of sprawl development through effective smart growth policy and (2) the Office of Smart Growth to articulate, coordinate, and implement smart growth policy for the residents of the State. Chapter 566 also established the position of the Special Secretary of Smart Growth as the head of the office and the chair of the Smart Growth Subcabinet (discussed below).

The office’s powers and duties are to:

- review State assistance programs related to smart growth to determine their applicability, if any, to projects that are consistent with the State’s smart growth policy;
- promote interagency consensus and cooperation on projects that are consistent with the State’s smart growth policy and resolve conflicting agency positions on projects in an expedited manner;

- provide advisory and technical assistance to local jurisdictions and to the public in preparing, financing, and developing smart growth and neighborhood conservation projects;
- gather and disseminate information to the public, including local jurisdictions, nonprofit organizations, and developers on how to develop projects that are consistent with the State's smart growth policy;
- provide a single point of access for members of the public, including local jurisdictions, nonprofit organizations, developers, and community and homeowners' associations who need assistance or guidance in navigating the processes and regulations of State agencies on projects that are consistent with the State's smart growth policy;
- work with local governments in expediting review of projects that both the local government and the State agree are consistent with the State's smart growth policy;
- provide effective public information on smart growth programs and educational activities, including relationships with the National Center for Smart Growth Education and Research at the University of Maryland, College Park Campus, and coordination of smart growth outreach efforts to local governments, the general public, and other interest groups;
- coordinate the efforts of the Executive Branch to provide input to the General Assembly on legislation that concerns smart growth and neighborhood conservation; and
- in coordination with the Smart Growth Subcabinet, recommend to the Governor changes to State law and regulations necessary to advance the policy of smart growth.

Smart Growth Subcabinet

In statute, the Smart Growth Subcabinet is comprised of the Special Secretary of Smart Growth and the secretaries of specified State agencies, including the Secretary of Planning and the Secretary of Housing and Community Development. The Special Secretary of Smart Growth chairs the subcabinet and is responsible for the oversight, direction, and accountability of its work, and the Secretary of Planning is the vice chair. Statute requires the Office of Smart Growth to provide primary staff support for the subcabinet.

The subcabinet must:

- provide a forum for discussion of interdepartmental issues relating to activities that affect growth, development, neighborhood conservation, and resource management;
- work together to promote the understanding of smart growth;
- work together to create, enhance, support, and revitalize sustainable communities across the State;

- meet at least biannually with county and municipal elected leaders and planning officials to discuss local government issues relating to activities that affect smart growth, development, neighborhood conservation, and resource management;
- make recommendations to specified State agencies;
- evaluate and report annually to the Governor and the General Assembly on the implementation of the State’s smart growth policy; and
- perform other duties assigned by the Governor.

Background: MDP indicates that the bill updates and modernizes the Smart Growth Subcabinet to be the Sustainable Growth Subcabinet with a slightly broadened charge and a clearer organizational structure, focused on sustainable growth. The subcabinet coordinates the work of the subcabinet agencies, and MDP indicates that the bill does not increase departmental responsibilities of any of the agencies, including the department. The department indicates that it is the main agency that staffs the subcabinet, and making the Secretary of Planning the chair, and the Secretary of Housing and Community Development the vice chair, aligns with the subcabinet’s mission and staffing requirements.

Additional Information

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

Designated Cross File: SB 309 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Planning) - Education, Energy, and the Environment.

Information Source(s): Maryland Department of Emergency Management; Department of Housing and Community Development; Maryland Department of Planning; Department of Legislative Services

Fiscal Note History: First Reader - January 25, 2024
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Smart Growth Subcabinet - Membership and Duties

BILL NUMBER: HB0225

PREPARED BY: Maryland Department of Planning

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposal will have no economic impact on small businesses as it is attempting to change the internal structure of the Smart Growth subcabinet and not its practices.