

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 740 (Prince George’s County Delegation)
Commerce and Government Matters

**Town of Cheverly (Prince George’s County) -
Urban Renewal Authority for Slum Clearance
PG 422-96**

This bill authorizes the Town of Cheverly, Prince George’s County, to undertake urban renewal projects for slum clearance and redevelopment. The town may establish an urban renewal agency to undertake these projects. In order to initiate an urban renewal project, the town must adopt a resolution which finds that one or more slum or blighted areas exist, locates and defines the slum or blighted area, and determines that the rehabilitation of the area is in the public’s interest. Before a plan for urban renewal can be undertaken, it must be approved by the town. The bill also requires the town to provide compensation to the appropriate parties when it acquires land or property for urban renewal purposes. In order to finance urban renewal projects, the town may levy taxes and assessments and issue general obligation bonds and revenue bonds. Any property acquired by the town for an urban renewal project may in turn be sold to any other parties provided the property is devoted to the uses specified in the urban renewal plan.

The provisions of the bill may only be amended or repealed by the General Assembly.

Fiscal Summary

State Effect: None.

Local Effect: Town of Cheverly revenues and expenditures could increase as discussed below.

Fiscal Analysis

Local Effect: The Town of Cheverly advises that it currently has one commercial property and one residential property that could qualify as urban renewal projects for slum clearance and redevelopment. The town estimates that it would cost approximately \$1 million to purchase the commercial property and \$77,000 to purchase the residential property. In addition, the town could incur appraisal costs, settlement costs, and attorney's fees of \$25,000 to \$30,000. It is expected that these costs could be offset by bond proceeds, additional taxes and assessments, and/or proceeds from the resale of the properties.

Information Source(s): Town of Cheverly, Department of Fiscal Services

Fiscal Note History: First Reader - March 7, 1996

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