

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 692 (Prince George's County and Montgomery County Delegations)
Economic Matters

**Washington Metropolitan Area Transit Authority - Condominiums - Conversions of
Leasehold Estate - Reversionary Estate
PG/MC 47-96**

This bill clarifies that specified leasehold estates may be subjected to a condominium regime if the Washington Metropolitan Area Transit Authority (WMATA) is the owner of the reversionary fee simple estate.

Fiscal Summary

State Effect: Potential indeterminate revenue increase as discussed below. No effect on expenditures.

Local Effect: Potential indeterminate revenue increase as discussed below. No effect on expenditures.

Fiscal Analysis

State Revenues: State revenues could potentially increase in two ways. First, the bill enhances the potential for residential development on WMATA property, meaning that increased revenues from additional lease agreements between private developers and WMATA could be realized. Currently, developments on WMATA property consist solely of commercial buildings. Second, because residential developments would allow some residents to live in close proximity to metro rail stations, increased revenues from passenger fares could result. The magnitude of such revenue increases cannot be determined at this time.

Local Revenues: Depending on the amount of land that is developed, local revenues from property taxes could be realized. The magnitude of any such revenue increase cannot be determined at this time.

Information Source(s): Washington Metropolitan Area Transit Authority

Fiscal Note History: First Reader - February 7, 1996

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