

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 738 (Prince George’s County Delegation)  
Commerce and Government Matters      Referred to Economic and Environmental Affairs

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**Prince George’s County - Redevelopment Authority**  
**PG 419-96**

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This amended bill authorizes Prince George’s County to establish a redevelopment authority that can exercise the powers of eminent domain for public use or public benefit. Any land or property taken by the county under this authority must be justly compensated as agreed upon between the parties or awarded by a jury. The redevelopment authority may establish rates, fees, and charges. The authority may issue revenue bonds to finance redevelopment activities. The authority’s bonds are not backed by the full faith and credit of the county unless applicable referendum provisions are followed.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential indeterminate increase in revenues. Potential significant increase in expenditures.

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**Fiscal Analysis**

**Local Revenues:** To the extent that this legislation fosters redevelopment, revenues such as property taxes could be increased. If Prince George’s County does obtain property for redevelopment, revenues could accrue from the sale or lease of such properties. Revenues due to bond sales could increase by an indeterminate amount.

Revenues could also increase due to the imposition of any rates, fees, or charges. The amount of any such increase cannot be predicted at this time.

**Local Expenditures:** Should the redevelopment authority use its authority to purchase

properties for redevelopment, expenditures could significantly increase due to purchasing costs. In addition, property owners could potentially seek just compensation from a jury, potentially leading to large jury awards against the county. The county would incur an increase in expenditures for legal assistance and the hiring of any other staff necessary to run the redevelopment agency. Prince George's County advises that the administrative cost of the Redevelopment Agency would be comparable to that of the Industrial Development Authority, which is currently budgeted at \$20,000 per year.

Debt service payments would increase commensurate with any bond issuances. The amount of such payments would depend upon the amount, rate, and term of any such bond.

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**Information Source(s):** Prince George's County, Department of Fiscal Services

**Fiscal Note History:** First Reader - March 4, 1996  
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