

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 865 (Delegate Pitkin. *et al.*)

Environmental Matters

Smart Growth - Transferable Development Rights - Commercial Use

This bill requires legislative bodies of the State's counties and municipal corporations that exercise planning and zoning authority to establish a program for the transfer of development rights. Current law only authorizes the establishment of such programs. This program must include the authorization to transfer development rights from a commercial use to another commercial use or other more intense use.

Fiscal Summary

State Effect: None. The bill would not materially alter State operations or finances.

Local Effect: Potential increase in local government expenditures. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Fiscal Analysis

Local Effect: Local government administrative expenditures could increase as a result of having to establish a transfer development rights program. However, the extent of any expenditure increase cannot be reliably estimated at this time. Montgomery and Prince George's counties report that this requirement could be handled with existing local resources. Kent County reports that implementing such a program could prove very costly.

Local governments could realize reductions in expenditures associated with infrastructure and support services because the bill allows for the transfer of development rights from a commercial property in a low density area to a high density area that has better or established

infrastructure and support services.

Local governments could realize increased property tax revenue if property is developed in a manner other than what was originally intended, and this new development adds to the value of the property. However, the extent of any revenue increase cannot be reliably estimated at this time.

Small Business Effect: This bill provides for the transfer of development rights between commercially owned properties which may include a more intense commercial use. Currently, development rights are not transferred between commercial properties. As a result, the bill could make it easier for a land owner to obtain commercial zoning for a particular class of commercial use, and then, obtain the right to develop the property as if it had a higher or more intense zoning classification, and to even transfer that right to a different property. As a result, small businesses could benefit because they could get a higher or more intense use out of their property.

Information Source(s): Maryland Department of Agriculture (Maryland Agricultural Land Preservation Foundation); Maryland Department of the Environment; Maryland Office of Planning; Kent, Montgomery, Prince George's, and Worcester counties; Department of Legislative Services

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dmm/jr

Analysis by: Mike Sanelli

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510