

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE  
Revised

Senate Bill 400 (Senator Currie. *et al.*)

Economic and Environmental Affairs

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**Prince George's County - Eminent Domain - Immediate Taking of Private Property  
for Redevelopment**

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This proposed amendment to the Constitution of Maryland authorizes the County Council of Prince George's County to immediately acquire property in specified areas for the purpose of redevelopment. The property must be located between the Suitland Federal Center and Silver Hill Road and must be within two of the following areas: (1) a revitalization tax district; (2) an enterprise zone; and (3) a priority funding zone. The county council is required to appoint a real estate appraiser to determine the fair market value of the property taken and pay the owner of the property the amount specified. If a jury subsequently finds that the property was worth more than appraised, the county is responsible for the difference. Residents who are displaced as a result of the bill would receive relocation costs from Prince George's County.

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**Fiscal Summary**

**State Effect:** The FY 2001 budget includes a \$3 million general fund appropriation to support the redevelopment project.

**Local Effect:** Prince George's County expenditures would increase to pay for acquired property and relocation costs of residents forced to move. Prince George's County property tax revenues could increase with more rapid redevelopment of acquired property.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Current Law:** The power of eminent domain allows the State and the counties to take private land for public use. Maryland law requires that property owners be reimbursed for land acquired through eminent domain. If the owner and the governing body are unable to reach agreement on the amount to be paid for the property, a court must decide on the value. Once a value is determined by the court, sometimes much later, the governing body takes control of the land and pays the property owner the amount set by the court. Although Prince George's County has the authority to exercise eminent domain, in practice the power is normally reserved for expanding infrastructure or building schools, not for economic redevelopment.

**Background:** The land targeted by the bill contains three apartment complexes that are in disrepair. If Prince George's County is able to acquire the property, it intends to put single family homes, townhouses, and some commercial property on the land.

**State Expenditures:** The State fiscal 2001 budget includes a \$3 million grant to Prince George's County to acquire and demolish properties located in the area targeted for redevelopment.

The Maryland Constitution requires that proposed amendments to the constitution be publicized in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding a general election. The State is responsible for the costs associated with these requirements. The proposed fiscal 2001 budget of the State Board of Elections contains funding for publishing constitutional amendments for the 2000 general election.

**Local Fiscal Effect:** The value of property that could be acquired by Prince George's County is not known at this time. The county estimates that \$1 million will be needed to pay the relocation costs of current residents. The ability to act immediately in acquiring and redeveloping private property may result in somewhat lower redevelopment costs for Prince George's County and may bring increases to property values more quickly. The exact impact cannot be projected at this time.

If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 2000 general election. It should not result in additional costs for the county election boards.

**Small Business Effect:** Small businesses operating in the area near the properties that could be condemned by Prince George's County could lose customers who are forced to relocate away from the area. However, businesses may eventually benefit from increased property values and a more desirable location. A redeveloped district may also provide opportunities for new small businesses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 21, 2000  
mld/jr Revised - Senate Third Reader - March 28, 2000  
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