

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 509 (Senator Collins) (Baltimore County Administration)
Economic and Environmental Affairs

Baltimore County - Neighborhood Renewal Authority

This bill authorizes Baltimore County to exercise the power of eminent domain to acquire specified properties for the purpose of residential, commercial, or industrial development or redevelopment. The power must be utilized for the public benefit of county citizens. The bill is effective July 1, 2000.

Fiscal Summary

State Effect: The FY 2001 State budget includes \$6.5 million to aid the renewal projects. Of this, \$3.0 million is for the Essex/Middle River Waterfront revitalization effort, \$1.75 million is for the Dundalk revitalization project, and \$1.75 million is for the Randallstown-Liberty Road effort.

Local Effect: The total cost of the renewal projects is estimated at \$50.4 million, most of which would be borne by Baltimore County. The costs would be incurred over five fiscal years, beginning in FY 2001. A significant portion of the costs could be recovered through the sale of acquired property. Long-term economic development in the renewal areas could result in increased tax revenues for the county.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill specifies properties in Baltimore County that the county may acquire through eminent domain. The properties lie in three defined renewal areas: the Essex/Middle River Waterfront area, the Yorkway area in Dundalk, and the Liberty Road area in Randallstown. Baltimore County may not take possession of any of the properties prior to an agreed upon sale or an entry of judgment of inquisition in a condemnation action. The county must provide just compensation to property owners and must provide displaced persons with compensation, including relocation costs. The capital investment on acquired properties sold to a private entity must equal or exceed the price the county paid for the property. The county's ability to exercise eminent domain under the bill terminates on July 1, 2007.

Before the specified properties are acquired, the Baltimore County Council is required to develop implementation plans for each renewal area and must allow the public an opportunity to comment on the plans. By February 15 of each year, the Baltimore County Administration must submit an annual report on the implementation of the bill to the county's General Assembly delegations. The report must include the number of properties that have been acquired or are targeted for acquisition and the number of persons who have been provided relocation assistance.

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 determines the price. In practice, the power of eminent domain is usually reserved for expanding infrastructure or building new schools; it is not normally exercised for the purpose of economic redevelopment.

Background: More than 300 addresses on 17 streets are mentioned in the bill as properties that could be acquired by Baltimore County. *The Baltimore Sun* reports that more than 1,600 residents live in the areas. Land acquired in the Essex/Middle River Waterfront Renewal Area would be used to create an upscale waterfront destination accessible by land and water. In the Yorkway Renewal Area, land would be acquired with the intention of creating new single family homes in an area currently dominated by multi-family dwellings. The Liberty Road Renewal Area is comprised of vacant retail space and older apartments that would be replaced by office buildings and by reconfigured retail space that would allow for greater access and visibility from Liberty Road.

Small Business Effect: Small businesses in the renewal districts will be forced to close or

move, and small businesses around the renewal areas will lose customers that currently reside within the areas. However, if the areas are successfully redeveloped by Baltimore County, new small businesses may have opportunities to enter the areas and existing small businesses that surround the targeted districts would benefit from increased property values and location in more desirable communities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore County, Department of Legislative Services

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Analysis by: Mark Collins

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