

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

House Bill 457 (Chairman, Environmental Matters Committee)  
Environmental Matters

---

**State Economic Growth, Resource Protection, and Planning Commission -  
Program Evaluation - Option 1**

---

This bill transfers specified existing duties and activities of the State Economic Growth, Resource Protection, and Planning Commission to the Maryland Department of Planning (MDP) and the Office of Smart Growth (OSG) upon the termination of the commission. The bill also makes MDP and OSG subject to the Maryland Program Evaluation Act and establishes a termination date of July 1, 2008 for OSG. Finally, the bill requires the Department of Legislative Services (DLS), in its evaluation of MDP and OSG under the Maryland Program Evaluation Act, to conduct a concurrent evaluation of both entities and present its recommendations in a single report by July 1, 2007.

The bill takes effect July 1, 2003.

---

**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Analysis**

**Bill Summary:** The bill provides for the transfer of duties and activities as follows:

- upon a request of the Board of Public Works, MDP is required to establish a citizens' advisory body to provide an advisory opinion relating to exceptions to the Smart Growth Areas Act;
- MDP is required to include in its annual report a section that tracks the progress of State, regional, and local planning in achieving specified planning policies and objectives;
- specified reports made by local jurisdictions must be submitted to MDP; and
- OSG is required to present Smart Growth awards each year to recognize projects and activities in the State that display outstanding characteristics and principles of Maryland's Smart Growth and Neighborhood Conservation programs.

**Current Law:** The State Economic Growth, Resource Protection, and Planning Commission will terminate on July 1, 2003. The commission in its current form was established in 1992 as a result of the Economic Growth, Resource Protection, and Planning Act. The commission was established primarily to advise and report to the General Assembly, the Governor, and local governments on a number of items related to planning in the State. The commission is an advisory body; it has no regulatory powers.

MDP is the staff agency for the Governor for planning matters in the State. It is charged with a number of duties relating to the development, coordination, and monitoring of planning in the State. MDP has evolved over time into an advisory, consultative, and coordinating agency. Among other things, MDP is required to harmonize planning activities of the State, regional, and local governments; promote the State Economic Growth, Resource Protection, and Planning policy; cooperate and assist local governments in planning functions; provide assistance to local governments; and prepare and revise the State Development Plan. MDP is also required to submit an annual report to the Governor and the General Assembly.

OSG was established in 2001 to provide a one-stop shop on Smart Growth. Specifically, OSG was established as a centralized office in the State such that the policy of Smart Growth can be better articulated, coordinated, and implemented in order to better serve the residents of the State.

**Background:** The commission is subject to the Maryland Program Evaluation Act, also known as the "sunset law" which provides a system of periodic legislative review of the regulatory, licensing, and other governmental activities of various units of State government. This bill arises out of the sunset evaluation of the State Economic Growth, Resource Protection, and Planning Commission performed by DLS during 2001.

In its report, the primary recommendation made by DLS was to allow the commission to sunset pursuant to the Maryland Program Evaluation Act, and to shift some of the commission's residual activities to MDP and OSG. Specifically, DLS recommended:

- that MDP use its existing authority to establish ad hoc advisory work groups on an as-needed basis to ensure continued representation by a wide variety of interests (including the establishment of such a group to prepare any advisory opinions regarding funding for specified growth-related projects upon the request of the Board of Public Works);
- that the General Assembly require MDP to track and report on the progress of State, regional, and local planning in the State (as part of this assumption of duties, MDP would become the repository for specified reports submitted by local jurisdictions); and
- that the General Assembly require OSG to assume responsibility for the annual Smart Growth awards program.

DLS also recommended that:

- the General Assembly should make both MDP and OSG subject to the Maryland Program Evaluation Act;
- a five-year termination date should be included in OSG's statute; and
- a concurrent, five-year sunset review of both MDP and OSG should be performed by DLS and compiled in a single report.

These recommendations are included in this bill. DLS also provided several alternative recommendations relating to the continuation of the commission. This bill does not provide for the continuation of the commission, however.

**State Expenditures:** Currently, the commission is housed within MDP. While there is no line item in MDP's budget for the commission, all costs associated with the commission are absorbed by MDP. Although MDP does not track the commission's expenditures, MDP estimated that the cost of staff time, including salary and fringe benefits, was approximately \$91,000 in fiscal 2001. This bill would shift some of the residual activities of the commission to MDP when it sunsets on July 1, 2003; however, MDP would no longer be charged with staffing the commission. Accordingly, MDP could handle the bill's requirements with existing budgeted resources.

Because OSG is involved with the review of Smart Growth projects, OSG could assume responsibility for the annual Smart Growth awards program with existing budgeted resources.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Planning, Governor's Office (Office of Smart Growth), Maryland Department of the Environment, Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2002  
lc/cer

---

Analysis by: Lesley Frymier

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