

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 662

(Delegate Walkup, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Upper Shore Regional Council

This bill establishes the Upper Shore Regional Council to facilitate regional planning and development in Cecil, Kent, and Queen Anne’s counties. Each county represented on the council must provide \$10,000 annually in funding to the council. The council may receive State funding, subject to the availability of funds in the State budget. Land use regulation or zoning authority is not granted to the council.

Fiscal Summary

State Effect: General fund expenditures could increase by \$200,000 annually beginning in FY 2005. Revenues would not be affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	200,000	200,000	200,000	200,000
Net Effect	\$0	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Expenditures in Cecil, Kent, and Queen Anne’s counties would increase by a minimum of \$10,000 annually for operational support of the Upper Shore Regional Council. **The bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal. Small businesses may benefit to the extent that a regional planning effort attracts resources and creates additional opportunities.

Analysis

Bill Summary: The Upper Shore Regional Council would operate as a cooperative planning and development agency to foster the physical, economic, and social development of the upper Eastern Shore region. The voting membership of the council includes: (1) nine commissioners, three from each county, appointed by their respective governing bodies; (2) one elected municipal official from each county; and (3) members of the General Assembly representing the region who have a majority of their legislative district in the region. Nonvoting members of the council include: (1) a county administrator from each county; (2) members of the General Assembly representing the region who do not have a majority of their district in the region; and (3) other county commissioners. The bylaws of the council may provide for additional private citizen membership. Members serve without compensation.

The council is required to submit to the Department of Business and Economic Development (DBED) its proposed work programs and operating budget for the following year on or before August 1 of each year. DBED is required to forward the proposed operating budget to the Department of Budget and Management (DBM) for consideration. The council may select and retain its own legal counsel, and at the request of the council the Attorney General of Maryland may serve as the legal advisor to the council in all matters pertaining to its activities.

Current Law: There is no Upper Shore Regional Council in Maryland. Planning functions are performed by the respective county governments.

Background: Cecil, Kent, and Queen Anne's counties have 154,200 residents comprising 2.8% of the State's population.

Upper Shore counties have cooperated on various projects involving regional issues, including economic development projects such as the Upper Shore Manufacturing & Business Council and the Small Business Development Center. Additionally, Chesapeake College, a community college serving a five-county region on the Upper Shore, receives funding from Kent and Queen Anne's counties. Cecil County has its own community college.

DBED currently provides funding to four regional development councils. Specifically, regarding regional development councils on the Eastern Shore, Chapter 527 of 2001 created the Tri-County Council for the Lower Eastern Shore of Maryland which includes Somerset, Wicomico, and Worcester counties and Chapter 528 of 2001 created the Mid-Shore Regional Council which includes Caroline, Dorchester, and Talbot counties. DBED is providing \$200,000 annually to both the Tri-County Council for the Lower Eastern Shore of Maryland and the Mid-Shore Regional Council. DBED currently

employs a full-time administrator for the Tri-County Council for the Lower Eastern Shore of Maryland and the Mid-Shore Regional Council. DBED advises that this administrator would assist in the administration of the Upper Shore Regional Council.

State Fiscal Effect: The fiscal 2004 State budget does not include any funding for the Upper Shore Regional Council. The Governor could provide the regional council with a supplemental or a deficiency appropriation in fiscal 2004. It is assumed, however, that funding in the amount of \$200,000 annually would be provided to the Upper Shore Regional Council beginning in fiscal 2005, based upon the level of funding provided to the other two regional councils on the Eastern Shore.

Local Fiscal Effect: Cecil, Kent, and Queen Anne's counties are required to provide at least \$10,000 in annual funding to the council. Municipal governments and special taxing districts could also provide funding, but are not required to do so. In addition, the Upper Shore Regional Council would be eligible to secure federal funds through the U.S. Department of Commerce's Economic Development Administration (EDA) for operational assistance and project funding. EDA funds for the Maryland and Virginia region total approximately \$13 million and are awarded through a competitive process. According to EDA, up to \$75,000 in federal fiscal 2004 funds could be available for the operational support of the regional council.

Additional Information

Prior Introductions: None.

Cross File: SB 525 (Senators Pipkin and Jacobs) – Education, Health, and Environmental Affairs.

Information Source(s): Cecil County, Kent County, Department of Business and Economic Development, Department of Budget and Management, Office of the Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2003
mdf/hlb Revised - House Third Reader - March 25, 2003

Analysis by: Christopher J. Kelter

Direct Inquiries to:
(410) 946-5510
(301) 970-5510