

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 419 (Senator Pipkin)
Finance and Budget and Taxation

Task Force on Privatization of State Assets

This bill creates a nine-member Task Force on Privatization of State Assets to identify State assets that may be sold, leased back from, or managed more productively by the private sector, focusing primarily on the Baltimore-Washington International (BWI) Airport, the Port of Baltimore, and other assets it may select. The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2003. The bill requires the Maryland Department of Transportation (MDOT) to provide staffing for the task force.

The bill is effective July 1, 2003 and sunsets December 31, 2003.

Fiscal Summary

State Effect: Minimal or none. Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The State owns the Port of Baltimore and BWI Airport. BWI started as Friendship International Airport and was purchased by the State in 1972 (Chapter 180). The Maryland Aviation Commission, which oversees the Maryland Aviation

Administration, establishes policies for BWI and approves policies and regulations for the operation of Martin State Airport and for major capital projects.

Similarly, the Maryland Port Commission, appointed by the Governor with the consent of the Senate, oversees the Maryland Port Administration (MPA), which works to promote and increase waterborne commerce in Maryland, particularly at the Port of Baltimore. If private facilities at the port are inadequate, MPA may construct and, if necessary, operate supplementary public facilities.

Background: During the 2001 legislative interim, MDOT undertook a study of BWI's governing structure. The Airport Governance Working Group concluded that the airport should remain State-owned but needed to make several changes to remain competitive. Among the group's recommendations were: (1) decreasing the number of projects that require Board of Public Works' review; (2) developing a 30- to 50-year vision for the airport; and (3) creating an enterprise fund. A \$1.5 billion expansion is underway at BWI to provide additional parking and car rental facilities and terminal space.

Few large airports in the United States are State-owned; those that are include Honolulu International (Hawaii), Bradley International (Connecticut), and Anchorage International Airport (Alaska).

Additional Information

Prior Introductions: None.

Cross File: HB 916 (Delegate Walkup, *et al.*) – Appropriations.

Information Source(s): Department of Transportation, Department of Legislative Services

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Analysis by: Ann Marie Maloney

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