

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1429

(Delegate James)

Environmental Matters

Education, Health, and Environmental Affairs

Priority Funding Areas - Exception - Military Base Realignment and Closure

This bill authorizes Maryland to provide funding for a growth-related project that is not in a priority funding area (PFA) without approval of the Board of Public Works (BPW) if it is related to a federal military base realignment and closure activity by the U.S. Department of Defense (DOD). The bill also requires the Maryland Department of Planning and the Department of Business and Economic Development (DBED) to establish an expedited review process for such projects.

Fiscal Summary

State Effect: Minimal. The bill effectively accelerates the process for providing funding for a project if it becomes the subject of federal realignment or closure activity. State funding could be diverted from other growth projects as a result. Several military bases or portions thereof are already considered PFAs.

Local Effect: Potentially significant economic impact for any local jurisdiction in which a project authorized by the bill would be located.

Small Business Effect: Minimal.

Analysis

Current Law: In 1997, the General Assembly passed legislation known as Smart Growth that is designed to preserve rural areas and reduce sprawl by restricting State funding to designated PFAs. Beginning October 1, 1998, the State was prohibited from funding any growth-related project not located within a PFA unless BPW: (1) determines that extraordinary circumstances exist as specified in statute; or (2) approves the project

as a transportation project that meets specified requirements such as a project connecting PFAs or a project maintaining an existing transportation system without an increase in highway capacity.

The State may allocate funding for a growth-related project not located in a PFA without approval from BPW if:

- the project is required to protect public health or safety;
- the project involves federal funds, to the extent compliance would be inconsistent with federal law; or
- the growth-related project is necessary for a specified commercial or industrial activity that, by its nature, needs to be located away from other development. Examples include airports, forestry or agricultural activities, and museums.

Background: The provisions of this bill reflect one of the recommendations of the Maryland Military Strategic Planning Council, created by Chapter 235 of 2003. The council was created to evaluate the impact of, and prepare for, the upcoming federal base closure and realignment process. The Secretary of Defense must provide Congress a list of military bases to be closed or realigned by May 16, 2005. A nine-member Base Realignment and Closure Commission (BRAC) must submit its recommendations to the President by September 8, 2005; the final date for presidential approval of the commission's list is November 7, 2005 following any requested revisions.

Three facilities in the State were closed during the last round of base closures following the recommendations of BRAC; however, several bases in the State were expanded and Maryland experienced a net gain.

In addition to the U.S. Naval Academy, 11 major federal military installations or medical centers operate in Maryland and encompass almost 62,000 acres:

- Andrews Air Force Base
- Army Research Laboratory
- Patuxent Naval Air Station
- Fort Meade
- Fort Detrick
- Indian Head Naval Warfare Center
- Coast Guard
- Aberdeen Proving Grounds
- Walter Reed Army Medical Center
- National Naval Medical Center
- Naval Surface Warfare Center

Several military laboratories also operate statewide. DBED advises that these installations employ approximately 100,000 people and generate approximately \$15 billion of business.

State Fiscal Effect: The Maryland Department of Planning advises that approximately one-third of the installations listed above are not part of a PFA, including portions of Fort Meade in Anne Arundel County, the Patuxent Naval Air Station in St. Mary's County, the Indian Head Naval Warfare Center in Charles County, and the Aberdeen Proving Grounds in Harford County, which includes land that would not be developed.

To the extent that any of these installations are affected by the 2005 BRAC decisions for base closure or realignment, State funds would be available without BPW approval. The bill does not call for additional funds to be spent.

The Department of Legislative Services notes that BPW may approve funding for a project outside a PFA if failure to fund it would create an extreme inequity, disadvantage, or hardship that outweighs the benefit of locating the project in a PFA or there is no reasonable alternative for the project. Closure or consolidation of a military installation would likely fall into one of those conditions. It may also be possible that a BRAC activity could qualify for the approval exemption under current law to the extent that a redevelopment project on a military base will involve federal funds and compliance with federal law.

Additional Information

Prior Introductions: None.

Cross File: SB 866 (Senator Astle) – Education, Health, and Environmental Affairs.

Information Source(s): Department of Business and Economic Development,
Department of Legislative Services

Fiscal Note History: First Reader - March 14, 2004
lc/ljm Revised - House Third Reader - April 1, 2004

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