HB 1184

Department of Legislative Services

Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1184 (Delegate Franchot)
Appropriations

State Building Smart Growth Program

This bill establishes a State Building Smart Growth Program that applies to State buildings in which more than 50 State employees work. Beginning June 1, 2006, any new State building that is planned for construction must be located not less than one-quarter mile from public transportation. In Baltimore City, Montgomery County, or Prince George's County, any such building must be located not less than one-quarter mile from a light rail stop, a metro stop, or a railroad station. The Board of Public Works (BPW) may exempt a building from these requirements.

The bill takes effect June 1, 2005.

Fiscal Summary

State Effect: Assuming the intent of the bill is to require that State buildings be located *within* one-quarter mile of public transportation, the bill could result in an increase in land acquisition and construction costs for affected projects. Because proximity to public transportation is already taken into account when making decisions regarding the location of State buildings, however, the overall impact on State expenditures is unclear. The bill is not anticipated to have a significant impact on State revenues.

Local Effect: Although local governments would not be directly affected, a given local jurisdiction could be indirectly affected to the extent the bill redirects construction of any State building (and associated development) to another area.

Small Business Effect: Minimal. While the bill could redirect construction and economic activity from certain areas to others, it is assumed that the statewide impact on small businesses would not be significant.

Analysis

Current Law: In 1997, the General Assembly enacted Governor Glendening's Smart Growth and Neighborhood Revitalization legislative package in an effort to reduce the impact of urban sprawl on the environment and encourage growth in existing communities. The initiative, which was designed to protect Maryland's green spaces and to preserve the State's rural areas, aims to manage growth by restricting State funding to designated priority funding areas (PFAs). The Smart Growth legislation established certain areas as PFAs and allowed counties to designate additional areas if they meet minimum criteria. 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. The State may allocate funding for a growth-related project not located in a PFA without approval from BPW under specified conditions.

In October 2003, Governor Ehrlich issued an executive order called Maryland's Priority Places Strategy which established the Governor's vision for Smart Growth. The Priority Places Strategy seeks to develop long-term solutions to the complex and related issues of State investment, economic growth, community revitalization, and resource conservation.

State Expenditures: Legislative Services advises that, as currently drafted, the bill would actually require that State buildings be constructed *at least* one-quarter mile from public transportation. It is assumed, however, that the intent of the bill is to require that State buildings be constructed *within* one-quarter mile of public transportation. Based on intent, the bill could result in an increase in land acquisition costs and construction costs for affected projects. According to the Department of General Services (DGS), in general, land closer to public transportation is more expensive than land that is further away from public transportation. DGS further advises that land acquisition costs could increase if the bill prohibits the construction of buildings on land already owned by the State; in such a circumstance, the State might be required to acquire additional land as a result of the bill. In addition, DGS advises that, by limiting construction to more urban areas, more construction would have to be vertical, which increases construction costs.

On the other hand, the Maryland Department of Planning advises that the State currently spends very limited capital funds outside PFAs. Further, DGS advises that proximity to public transportation is already taken into account when making decisions regarding the location of State buildings. Accordingly, the extent to which this bill alone would affect the location of State buildings is unclear.

Some agencies, such as the Department of Public Safety and Correctional Services and the Maryland Transportation Authority, advise that exemptions would be requested for certain facilities, which, by nature, need to be located further away from public transportation (such as correctional facilities and certain facilities on controlled access highways). It is assumed that BPW would grant exemptions in such cases.

BPW could handle any increase in workload with existing budgeted resources.

Additional Comments: The Governor's proposed fiscal 2006 capital budget, exclusive of the Maryland Department of Transportation (MDOT), totals $947.15 million. The Governor's proposed fiscal 2006 capital budget for MDOT totals $1.85 billion.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services, Maryland Department of Transportation, Department of Public Safety and Correctional Services, University System of Maryland, Board of Public Works, Maryland Department of Planning, Judiciary (Administrative Office of the Courts), Department of Legislative Services

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