

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 797 (Chairman, Economic Matters Committee)  
(By Request – Departmental – Business and Economic Development)  
Economic Matters Finance

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**Maryland Military Installation Strategic Planning Council - Extension**

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This departmental bill extends by two years the termination date of the Maryland Military Installation Strategic Planning Council, from December 31, 2005 to December 31, 2007.

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**Fiscal Summary**

**State Effect:** None. Continued staffing of the council by the Department of Business and Economic Development (DBED) could be handled with existing resources.

**Local Effect:** The bill does not have any direct impact on local finances. However, the council could provide assistance that prevents the closure of a military base in the State, which could affect local jurisdictions.

**Small Business Effect:** DBED has determined that this bill has a meaningful, but not a direct, impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** Chapter 335 of 2003 established the 19-member council to examine issues related to the expansion of military installations. The council was charged with identifying:

- public infrastructure and other community support necessary to improve mission efficiencies and develop existing installations in the State;

- existing and potential impacts of encroachment on military installations in Maryland;
- potential State and community actions that can minimize the impacts of encroachment and enhance the long-term potential of military installations; and
- opportunities for collaboration among military contractors, academic institutions, local governments, the State, and military departments.

The council was also charged with reviewing State policies to identify actions needed to prepare for the U.S. Department of Defense (DOD) Facilities Initiative that will begin in 2005 and research how jurisdictions have addressed encroachment and partnership formation issues.

Chapter 315 of 2004 required the Secretary of Business and Economic Development to designate an entity within DBED to be the single contact for issues relating to realignment and closure of federal military installations in the State. The council serves as that point of contact.

**Background:** In 2005, DOD is set to go through another Base Realignment and Closure process (BRAC 2005). A commission will be appointed in 2005 by Congress to select bases for closure and consolidation. BRAC processes occur periodically and are designed to streamline the military by closing costly and redundant bases. They date back to the 1960s, when President Kennedy sought to close bases from World War II and the Korean War that were not serving the military needs of the time.

According to DOD, final commission recommendations about BRAC 2005 are scheduled for October 20, 2005 and the President will approve or disapprove of these recommendations. The commission will terminate on April 16, 2006.

DOD estimates that the military has 25% excess base capacity. Eight federal military installations, in addition to the U.S. Naval Academy, operate in Maryland, including three Army and three Navy facilities, one Coast Guard station, and one Air Force base. DBED estimates that these installations employ approximately 100,000 people.

During the last BRAC process in 1995, three facilities in Maryland were closed; however, several bases in the State were expanded and Maryland experienced a net gain. Therefore, the effect of BRAC 2005 on Maryland is uncertain.

The council's interim report from December 31, 2003 summarized legislative proposals, procedural modifications, and planned or desired projects recommended by the Department of Planning, the Department of Health and Mental Hygiene, the Maryland Department of the Environment, the Department of Natural Resources, the Maryland Department of Transportation, the Maryland National Guard, and DBED to help facilitate efforts to reduce the operating costs of the major military bases within the State.

It also made legislative recommendations including but not limited to: requesting the legislature pass a resolution designating military bases as "priority funding areas," requesting the State's procurement law be revised to allow the State to purchase or lease land without the usual appraisal and procurement process (for the purchase of leasing unused housing on military bases for State purposes), and ensuring that projects using DOD land are eligible for State bonding, financing, leasing, training, and other economic development programs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Global Security.org, U.S. Department of Defense, Department of Business and Economic Development, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2005  
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