

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1320  
Economic Matters

(Delegates Davis and Rudolph)

Education, Health, and Environmental Affairs

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**Joint Committee on Base Realignment and Closure**

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This bill creates the Joint Committee on Base Realignment and Closure comprised of six members of the House of Delegates and six members of the Senate. Staffing is to be provided by the Department of Legislative Services.

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**Fiscal Summary**

**State Effect:** Any expense reimbursements for commission members and staffing costs for the Department of Legislative Services are assumed to be minimal and absorbable within existing budgeted resources. The impact on State finances from any fast-tracking processes that are adopted cannot be reliably estimated at this time.

**Local Effect:** While accelerating local planning processes and fast-tracking infrastructure projects would affect local revenues and expenditures, any such effect cannot be reliably estimated at this time.

**Small Business Effect:** Potentially meaningful. Small businesses such as contractors or individuals involved in providing affordable housing could benefit from fast-tracked planning processes and infrastructure projects.

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**Analysis**

**Bill Summary:** In order to accelerate planning and development so that the State is prepared for the influx on jobs and personnel associated with the Base Realignment and Closure initiative of 2005 (BRAC), the committee must provide continuing legislative oversight of the State's response to BRAC-related opportunities and changes. It must also oversee and participate, in cooperation with local and State units, in developing

systems and processes that fast track the approval of • transportation infrastructure; • water and sewer infrastructure; • State and local planning processes; • affordable housing options; • education facilities, including public school and community college construction; and • health care facilities and infrastructure.

**Current Law:** In 1990, Congress created a process known as BRAC to address an excess capacity of military facilities. BRAC allows for the appointment of an independent commission that evaluates the military's needs and offers recommendations. The 2005 BRAC represented the first major base closure and realignment activity in 10 years.

Chapter 335 of 2003 established the 19-member Military Installation Strategic Planning 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 could 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 BRAC 2005 and research how jurisdictions have addressed encroachment and partnership formation issues. Chapter 275 of 2005 extended the termination date of the council until December 31, 2008. Chapter 634 of 2006 renamed the council the Maryland Military Installation Council and extended the council from December 31, 2008 to December 31, 2011. The council must report to the General Assembly by December 31 of each year and issue a final report by December 1, 2011.

Chapter 315 of 2004 requires the Secretary of Business and Economic Development to designate an entity within the Department of Business and Economic Development as 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:** The BRAC commission finished its work and submitted its recommendations to the President on September 8, 2005. The recommendations were subsequently submitted to the U.S. Congress and took effect November 9, 2005.

In total, Maryland will gain approximately 16,000 Department of Defense military and civilian jobs, phased in from 2005 to 2011. All BRAC recommendations must be implemented by 2011. The bulk of the gains are at Aberdeen Proving Ground, Fort Meade, and the newly renamed Walter Reed National Military Medical Center and are expected to be highly skilled, well-paid jobs.

In a December 2006 report, the Maryland Department of Planning (MDP) advised that it anticipates 28,176 new households as a result of BRAC, with 25,312 located in eight jurisdictions that MDP selected for detailed study. Of those 25,312 new households, the majority will be concentrated in Harford (26%), Anne Arundel (18%), and Baltimore counties (14%), followed by Baltimore City (10%), Montgomery (9%), Cecil and Prince George's (8% each), and Howard (7%) counties.

Approximately 53.4% of the new households are projected to be high-income (income over \$75,000 annually) and an additional 28.4% are projected to be middle-income (\$30,001 to \$75,000 annually). MDP anticipates the highest demand for BRAC-related housing to be from 2009 to 2015.

**State Fiscal Effect:** Expediting the State planning process and other infrastructure projects related to BRAC through "fast-track" approval could accelerate their implementation. This acceleration could reduce overall project expenditures due to eliminating cost increases caused by delays, but also shift revenues and expenditures based on accelerating the time schedule. The exact fiscal impact depends on the types of projects entered into and the agencies involved. Given that the projects to be "fast-tracked" include educational projects, affordable housing, health care, and transportation, it is likely that the Maryland Department of Transportation, the Department of Housing and Community Development, MDP, the Maryland Department of the Environment, the Public School Construction Program, the Department of Health and Mental Hygiene, and the Maryland Higher Education Commission would be among the agencies affected.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Planning, Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2007  
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