

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 711 (Montgomery County Delegation and Prince George's County
Delegation) (By Request)

Environmental Matters

Education, Health, and Environmental
Affairs

**Maryland-National Capital Park and Planning Commission - Open Space
Dedication - Fee in Lieu
MC/PG 120-07**

This bill alters the calculation of the fee in lieu of open space dedication charged by the Maryland-National Capital Park and Planning Commission (M-NCPPC) by making the fee based on the current market value of the land after development is approved and repealing the current cap. The amount of the fee would thus be determined through local subdivision regulations.

Fiscal Summary

State Effect: None.

Local Effect: Potential increase in M-NCPPC fee revenues beginning in FY 2008. Expenditures would not be affected.

Small Business Effect: Overall minimal, but potential meaningful for a developer if fees increase significantly.

Analysis

Current Law: M-NCPPC and the governing bodies of Montgomery and Prince George's counties may adopt regulations governing the subdivision of land within the Maryland-Washington Regional District. Among other things, these regulations may

provide for adequate open spaces, by dedication or otherwise, and they may provide for the payment of a fee in lieu of open space dedication. The current fee may not exceed 5% of the total new market value of the land, as stated on the final assessment notice issued by the State Department of Assessments and Taxation.

This bill repeals the 5% cap and authorizes the fee to be based on the current market value of the land after it has been approved for development.

The revenues generated by this fee are to be used by M-NCPPC to purchase open spaces for the use and benefit of the subdivision in cases where dedication would be impractical.

Background: M-NCPPC is a bi-county agency empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Regional District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program.

Prince George's County has enacted regulations that allow a fee in lieu of open space dedication to be imposed. Montgomery County has not enacted such regulations. M-NCPPC advises that it collected \$410,000 in fees in lieu of open space in fiscal 2006.

Local Fiscal Effect: Altering the basis for imposing a fee in lieu of open space may increase M-NCPPC fee revenues. This increase would depend on the value of the land after it has been approved for development and how many times fees are imposed, neither of which can be reliably quantified at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

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ncs/hlb

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