

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 498 (Senator Brinkley)
Education, Health, and Environmental Affairs

Smart Growth - Priority Funding Areas - Rural Counties

This bill authorizes the governing body of a county to designate an area as a Priority Funding Area (PFA) if the area is located in a “rural county,” has a total population of less than 6,000 residents, and is solely dependent on groundwater sources for its community water system. The bill defines “rural county” as a county in which a majority of the total acreage is devoted to farming or similar agricultural purposes.

Fiscal Summary

State Effect: Any increase in PFA certifications by the Maryland Department of Planning (MDP) could be handled with existing budgeted resources.

Local Effect: Areas designated as PFAs as a result of the bill would become eligible to apply for State funding for growth-related projects. However, the total amount of State funding provided for such projects would not change as a result of the bill.

Small Business Effect: Minimal.

Analysis

Current Law/Background: 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 PFAs. The Smart Growth legislation established certain areas as PFAs and allowed counties to designate additional areas if they meet minimum criteria.

Exhibit 1 lists the areas initially established as PFAs and areas eligible for county designation.

Exhibit 1
Smart Growth – Priority Funding Areas

<u>Areas Initially Established by Law</u>	<u>Areas Eligible for County Designation</u>
Municipalities	Areas with industrial zoning
Baltimore City	Areas with employment as the principal use which are served by, or planned for, a sewer system
Areas inside the Baltimore and Washington beltways	Existing communities within county-designated growth areas which are served by a water or sewer system and which have an average density of 2 or more units per acre
Neighborhoods designated for revitalization by the Department of Housing and Community Development	Rural villages
Enterprise and Empowerment Zones	Other areas within county-designated growth areas that, among other things, have a permitted density of 3.5 or more units per acre for new residential development
Certified Heritage Areas within county-designated growth areas	

Source: Maryland Department of Planning

When local jurisdictions amend their PFAs, MDP reviews the changes for consistency with State law. In addition, MDP is responsible for creating all PFA maps for distribution.

Concern has been raised that smaller, more rural communities have a difficult time meeting the density requirements necessary for designation as a PFA. Many small towns are dependent on groundwater sources for their community water systems; concern has been raised that most of those systems cannot support development at the density required by the Smart Growth law. According to the Maryland Department of the

Environment, certain rural areas in the Piedmont region and westward that rely on groundwater as a water supply source need to set aside sufficient open area to ensure adequate water recharge.

According to the Maryland Municipal League, of the 157 municipalities it represents (including Baltimore City), 125 have populations of less than 6,000, most are situated in predominantly rural counties, and most are situated in areas dependent on groundwater sources for their community water systems.

The *2006 Joint Chairmen's Report* requested a report on programmatic changes MDP intends to implement to help small communities access the State resources they need to manage growth by securing PFA designation. In the response to that request, MDP reported that there is no reason, other than community pressure for lower density, that any community, rural or otherwise, would have a difficult time meeting the density requirements necessary for designation as a PFA. Rather, MDP reports that meeting the density requirement is solely a function of the local zoning ordinance. Further, MDP reports that the PFA density of 3.5 units per acre was derived with small communities in mind and results, on average, in densities consistent with the historic development patterns in small municipalities across the State.

Additional Information

Prior Introductions: Identical legislation was introduced as SB 749 of 2006 and SB 26 of 2004. The Senate Education, Health, and Environmental Affairs Committee held a hearing on SB 749 of 2006, but no further action was taken. SB 26 of 2004 received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee.

Cross File: None.

Information Source(s): Maryland Department of Planning, Maryland Department of the Environment, Howard County, Maryland Municipal League, Department of Legislative Services

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mam/ljm

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