

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 295 (The Speaker, *et al.*) (By Request - Administration)
Environmental Matters Education, Health, and Environmental Affairs

**Smart, Green, and Growing - Annual Report - Smart Growth Goals, Measures,
and Indicators and Implementation of Planning Visions**

This Administration bill requires specified local planning commissions or boards to submit a specified annual report to local legislative bodies by July 1 annually and provide additional information relating to specified measures and indicators as part of the report. The annual report must state which ordinances or regulations were adopted or changed to implement the State's planning visions. By July 1, 2009, and after consultation with specified entities, the Task Force on the Future for Growth and Development must recommend measure and indicator information that should be collected. The bill specifies that a statewide land use goal should be established to increase the current percentage of growth located within priority funding areas (PFAs) and to decrease the percentage of growth located outside PFAs. Local jurisdictions have to develop a percentage goal toward achieving the statewide land use goal. The Maryland Department of Planning (MDP) is authorized to adopt regulations. The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources.

Local Effect: Local government expenditures increase to develop annual reports and provide measure and indicator information. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: Local jurisdictions submitting proof of less than 50 building permits for new residential units being issued in a given year are exempt from providing measure and indicator information in their annual reports. Exemptions concerning submittal of annual report information and establishing land use goals are provided for municipal corporations located entirely within a PFA.

The bill requires MDP to assist local jurisdictions with data collection required for the annual reports. Local jurisdictions are required to begin submitting annual reports with measure and indicator information, as applicable, by July 1, 2011. MDP is authorized to submit comments on the annual reports.

MDP is required to (1) develop measure and indicator information that it will collect and consider what information the National Center for Smart Growth Research and Education may collect; (2) submit a report to the Governor and the General Assembly on the measure and indicator information it has collected by January 1 annually; and (3) submit annual report information to specified entities. The National Center for Smart Growth Research and Education must display specified information on its web site.

Current Law: Statute requires local planning commissions in noncharter counties and in all municipalities that exercise planning and zoning authority to prepare, adopt, and file an annual report with their local legislative body. The report is required to:

- index and locate on a map all changes in development patterns, including land use, transportation, community facilities patterns, zoning map amendments, and subdivision plats;
- state whether these changes are consistent with each other, the previous annual report, the jurisdiction's adopted plans, and State and other local jurisdictions' plans; and
- contain statements and recommendations for improving the planning and development process within the local jurisdiction.

The local legislative body is required to review the report, take appropriate actions, make the report available to the public, and send a copy to MDP.

Background: The Task Force on the Future for Growth and Development in Maryland (established by Chapter 381 of 2006 and modified by Chapter 626 of 2007) is charged with studying a wide range of smart growth and land use issues impacting Maryland. The task force is required to advise the Smart Growth Subcabinet until it terminates in December 2010. The task force released a report in January 2009 providing detailed recommendations for action at various levels of State and local government. The report's

recommendations fall within the 15 categories outlined in **Exhibit 1**. The bill is a direct result of the report's recommendations.

Exhibit 1
Recommendations of the Task Force on the Future for
Growth and Development in Maryland

- Modernize the State's planning visions to achieve smart and sustainable growth by updating the "Eight Visions"
- Collect good information for good planning
- Emphasize Transit-oriented Development
- Assess and address critical infrastructure needs
- Stimulate revitalization of existing communities
- Incorporate climate change into growth planning
- Identify inconsistent and/or conflicting laws, regulations, and policies
- Strengthen comprehensive plans
- Promote preparation and adoption of State development, housing, and transportation plans
- Sharpen the focus of PFAs
- Preserve land for resource production
- Address housing challenges
- Ensure adequate water and sewer for smart growth
- Establish a statewide planning advisory committee
- Promote smart growth education and outreach

Source: Task Force on the Future for Growth and Development in Maryland, January 2009

Limited comprehensive information exists to measure how Maryland is growing at the State, regional, and local levels. Better quantitative information about land use goals, markers, trends, forecasts, and metrics would assist local governments and regional planning organizations. Such information would also help the State develop better information about the efficacy and cost-effectiveness of Chesapeake Bay restoration programs.

BayStat was created by Executive Order 01.01.2007.02 in February 2007 as a joint project of the departments of Agriculture, Natural Resources, Environment, and Planning. It was established as an accountability process for measuring and evaluating State initiatives directed toward restoring the Chesapeake Bay, with the intent of ensuring those government programs are coordinated and operating at their highest efficiency.

Local Fiscal Effect: The bill requires local jurisdictions to provide additional information to MDP. Noncharter counties and municipalities with planning and zoning authority – which are already required under current law to submit annual reports – must provide measure and indicator information. The six charter counties (Anne Arundel, Baltimore, Harford, Howard, Talbot, and Wicomico) and Baltimore City are required to submit both an annual planning report as well as measure and indicator information. Specified local jurisdictions are exempt from providing the measure and indicator information and establishing land use goals.

Charter counties and Baltimore City may incur expenditures to develop the required annual report. To some extent, these local jurisdictions have planning documents and information that may be adapted to meet the annual report requirements. However, several charter counties report the new requirements may require additional staff and expenditures. Furthermore, charter counties' expenditures increase if they are required to create planning commissions in order to satisfy the bill's requirements.

MDP will play a role in tracking some of the required measure and indicator information. For example, MDP is likely to take the lead in tracking information about growth inside and outside PFAs, housing choices, and development capacity analysis. MDP is likely to work in collaboration with local jurisdictions to track information about agricultural preservation, transportation, business, and cultural and historical resources. However, until the measure and indicator information requirements are finalized and responsibility for providing the information is determined, the impact on local jurisdictions cannot be reliably quantified.

Additional Information

Prior Introductions: None.

Cross File: SB 276 (The President, *et al.*) (By Request - Administration) - Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel, Garrett, and Montgomery counties; Maryland Association of Counties; Department of Housing and Community Development; Department of Natural Resources; Maryland Department of the Environment; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2009
mcp/ljm Revised - House Third Reader - April 6, 2009
Revised - Enrolled Bill - May 18, 2009

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Smart, Green, and Growing - Annual Report - Smart Growth Measures and Indicators and Implementation of Planning Visions

BILL NUMBER: House Bill 295

PREPARED BY: Governor's Legislative Office

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.