

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 877 (Chair, Environmental Matters Committee)(By Request -
Departmental - Housing and Community Development)
(By Request - Departmental - Planning)
Environmental Matters Education, Health, and Environmental Affairs

**Sustainable Communities, Designated Neighborhoods, and Priority Funding
Areas - Miscellaneous Corrections**

This departmental bill repeals obsolete references to a “designated neighborhood” and replaces them with “sustainable community,” and repeals designated neighborhoods from inclusion within the definition of a Priority Funding Area (PFA), as consistent with the Sustainable Communities Act of 2010 (Chapter 487). The bill also clarifies that any designated neighborhood existing before January 1, 2010, continues to qualify as a PFA.

The bill takes effect June 1, 2011.

Fiscal Summary

State Effect: None. The changes are procedural/technical in nature and do not directly affect State finances.

Local Effect: None. The changes are procedural/technical in nature and do not directly affect local finances.

Small Business Effect: The Department of Housing and Community Development (DHCD) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law/Background: The Sustainable Communities Act of 2010 (Chapter 487) reestablished the Heritage Structure Rehabilitation Tax Credit Program as the Sustainable Communities Tax Credit Program; extended the program's termination date through fiscal 2014; and made several changes to other State programs, including the Community Legacy and Neighborhood Business Development programs. Among other things, Chapter 487 consolidated "designated neighborhood's," which were used to focus small business lending resources, and "community legacy areas" into "sustainable communities." Thus, "designated neighborhoods" were eliminated and replaced as "sustainable community" designations. However, statutory references to "designated neighborhoods" remain. DHCD advises that this corrective bill updates the terminology used throughout statute to be consistent with Chapter 487. The bill also removes "designated neighborhoods" from automatically being considered a PFA, but grandfathers existing designated neighborhoods as PFAs; DHCD advises that Chapter 487 requires all sustainable communities to be located in a PFA.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Kent, Montgomery, and Worcester counties; Baltimore City; Maryland Department of Agriculture; Department of Natural Resources; Maryland Department of Planning; Maryland Department of the Environment; Department of General Services; Department of Housing and Community Development; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2011
ncs/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Sustainable Communities, Designated Neighborhoods, and Priority Funding Areas – Miscellaneous Corrections

BILL NUMBER: HB 877

PREPARED BY: Department of Housing and Community Development

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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.