

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 540

(Senator Astle)

Education, Health, and Environmental Affairs

Environment and Transportation

Municipalities - Parking Authorities

This bill authorizes a municipality to establish a parking authority under the Parking Authorities Act. Municipalities are required to determine specified matters by local law including budgetary and financial procedures and the authorization, issuance, sale, delivery, and payment of specified revenue bonds as authorized under the Parking Authorities Act. Municipalities are prohibited from granting a parking authority independent taxing authority.

Fiscal Summary

State Effect: None.

Local Effect: The fiscal effect on a municipality establishing a parking authority depends on the guidelines that each municipality sets for the authority. Municipal revenues increase through the imposition of parking fees and the issuance of bonds. Expenditures increase to support parking facilities debt service.

Small Business Effect: Potential minimal.

Analysis

Current Law: Only Baltimore City and Montgomery and Prince George's counties are authorized to create parking authorities. A parking authority consists of five members whose qualifications, means of appointment, residency requirements, and terms of office are set by local laws. An authority, though mainly governed by local laws, has as its main purpose the construction, maintenance, operation, and regulation of parking facilities in the jurisdiction. A parking authority may collect fees at authority parking facilities or issue

tax exempt bonds in order to raise money for the purchase of property and the construction of facilities or improvements. Any net earnings an authority realizes must be utilized for the benefit of the jurisdiction. If an authority is terminated, all of its obligations and assets are transferred to the local jurisdiction.

Background: The City of Annapolis is seeking to establish a municipal parking authority. In 1995, the city charter was amended (Charter Amendment No. CA-1-95) to authorize the establishment of a city revenue authority, subject to city ordinance, to undertake various capital projects. The Attorney General opined that the city acted within its home rule powers in establishing the revenue authority as an instrumentality of the city.

Local Fiscal Effect: If a municipality creates a parking authority to oversee the municipality's parking facilities, the fiscal effect will depend on the organization and financing structure set up by each municipality. Presumably, a parking authority fund, receiving revenues from parking fees, would be established to finance the development, construction, improvement, and coordination of parking facilities. The parking authority would monitor the fund and coordinate the municipality's parking needs.

Additional Information

Prior Introductions: None.

Cross File: HB 809 (Delegate McMillan) - Environment and Transportation.

Information Source(s): cities of Annapolis, Frederick, and Havre de Grace; Maryland Municipal League; Maryland Department of Transportation; Department of Legislative Services

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md/hlb

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