

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 639 (Delegate D.M. Davis)  
Environment and Transportation

Finance

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**Tri-County Council for Southern Maryland – Property Management – Southern Maryland Regional Agricultural Center**

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This bill authorizes the Tri-County Council for Southern Maryland to act as a property manager, as defined, for the Southern Maryland Regional Agricultural Center owned by and located within St. Mary’s County. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** The bill authorizes an existing property management agreement and, therefore, does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** In addition to other specified powers, the Tri-County Council for Southern Maryland may:

- enter into contracts and agreements;
- borrow money and accept advances, loans, grants, contributions, and any other form of assistance from the federal government, the State, or other public or private source; and
- execute any instrument and act as necessary, convenient, or desirable to carry out its powers and specified purposes.

The council is generally prohibited from owning or leasing property, except office space for its own use. However, in order to carry out specified purposes, the council may use any money available to it to finance the purchase or lease of property by (1) one or more Southern Maryland counties; (2) the Maryland Food Center Authority; or (3) another entity, as determined by the council, that is authorized to finance or purchase property.

**Local Fiscal Effect:** The Southern Maryland Agricultural Development Commission (SMADC), which is a division of the Tri-County Council for Southern Maryland, has awarded St. Mary's County \$1.7 million in total to develop a regional agricultural center. According to SMADC's [website](#), the center is expected to open in late 2021 and be operated by SMADC under a property management contract with St. Mary's County. The building and permanent fixtures on the building will be owned and maintained by St. Mary's County, while equipment for food processing will be owned and maintained by SMADC. The memorandum of understanding between SMADC and St. Mary's County specifying the terms of the agreement is already signed.

Notwithstanding the council's general authority to enter into contracts and agreements, the Office of the Attorney General has advised the council that the bill is necessary to authorize SMADC to provide property management services at the regional agricultural center as planned. To that end, the bill authorizes existing agreements and does not materially affect local government finances or operations. In absence of the bill, St. Mary's County may need to find an alternative to SMADC for property management services, which would have an unknown but likely adverse operational and/or fiscal effect.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 51 (Senators Bailey and Jackson) - Finance., SB 51 (Senators Bailey and Jackson) - Finance.

**Information Source(s):** Department of Commerce; Charles and St. Mary's counties; Southern Maryland Agricultural Development Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2021  
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