

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1002 (Senator Eckardt)
Education, Health, and Environmental Affairs

Charter and Code Home Rule Counties – County Property Leases – Notice Exemptions

This bill authorizes a charter or code home rule county to enter into a specified property lease agreement without giving notice if the lease (1) is not renewable and (2) has a term of five years or less.

Fiscal Summary

State Effect: None.

Local Effect: Local government expenditures may decrease beginning in FY 2023; however, any impact is likely to be minimal in most jurisdictions. Local revenues are not directly affected.

Small Business Effect: None.

Analysis

Current Law: Before a charter or code home rule county disposes, grants, or leases county property, the county is required to publish notice of the action once a week for three consecutive weeks in at least one newspaper of general circulation in the county. The notice must include the terms and the compensation to be received and give opportunity for objections. A county may grant an easement for a public utility without giving notice. **Exhibit 1** shows the form of county government for each jurisdiction.

Exhibit 1
Form of County Government

<u>Charter</u>	<u>Commission</u>	<u>Code</u>
Anne Arundel	Calvert	Allegany
Baltimore	Carroll	Caroline
Cecil	Garrett	Charles
Dorchester	St. Mary's	Kent
Frederick	Somerset	Queen Anne's
Harford	Washington	Worcester
Howard		
Montgomery		
Prince George's		
Talbot		
Wicomico		

Source: Department of Legislative Services

Local Fiscal Effect: Local government expenditures for advertising public notices may decrease beginning in fiscal 2023. In Charles and Frederick counties, the potential cost savings could total approximately \$1,000 per year. In Dorchester County, the potential cost savings could total \$600 per lease, with the county realizing administrative efficiencies that could generate additional business opportunities for the county government. Dorchester County outlined two major concerns with the current public notice requirement: (1) the advertisement cost for many leases exceeds the revenue generated from the lease, resulting in a net operating loss to the county; and (2) the extended time period to publicize a lease (three consecutive weeks) creates a disincentive for businesses that need to secure a location in a timely manner. Dorchester County indicates that there have been multiple occasions when a business needed to obtain lease space within a certain timeframe and due to the public notice requirement, the business had to secure another location which resulted in a revenue loss to the county.

Additional Information

Prior Introductions: SB 544 of 2021 received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 1194, received a hearing in the House Environment and Transportation Committee, but no further action was taken.

Designated Cross File: HB 1481 (Dorchester County Delegation) - Rules and Executive Nominations.

Information Source(s): Caroline, Charles, Dorchester, Frederick, Harford, Kent, Montgomery, Prince George's, Talbot, and Worcester counties; Department of Legislative Services

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