

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 974

(Senator Jennings)

Budget and Taxation

Rules and Executive Nominations

Department of Natural Resources' Real Property - Exchange With Private Real Property

This bill authorizes the State to exchange real property that it owns for private real property offered to it, under specified circumstances. Any such exchange is exempt from procedures in current law governing excess real property and the sale, transfer, grant, or exchange of State-owned real property.

Fiscal Summary

State Effect: None. The bill is authorizing in nature and, thus, has no direct effect on State operations or finances. Presumably, the bill's authorization would only be used if the State benefits from the exchange. Because exchanges covered by the bill bypass current statutory requirements for the disposition of State property, the bill may have an operational effect on the Department of Natural Resources (DNR), the Board of Public Works (BPW), and the Maryland Department of Planning (MDP).

Local Effect: Minimal or none.

Small Business Effect: Minimal.

Analysis

Bill Summary: The State may exchange real property that it owns for the use and benefit of DNR if:

- an owner of real property requests to exchange property owned by the private owner;

- the real property owned by the State does not exceed two acres in size; and
- the owner requesting the exchange pays all costs associated with the exchange of the real property, including boundary relocation, surveying, engineering, legal fees, and recordation costs.

BPW may not approve an exchange covered by the bill unless DNR submits specified information to the Legislative Policy Committee (LPC) and LPC either (1) approves the exchange and refers the property to BPW for final disposition or (2) refers the proposed exchange to the full General Assembly and notifies BPW of the referral. In the latter instance, BPW may not approve the exchange unless it is approved by the passage of legislation during the next legislative session. If LPC fails to take any action within 45 days, the proposed exchange is deemed approved by the committee and referred to BPW for final disposition.

Current Law: Except for real property acquired by gift, before DNR acquires any real property from a private owner, it must obtain two independent appraisals of the property. Contracts for the acquisition of property by DNR must be approved and executed by BPW, following procedures specified in statute. DNR may exchange land that it owns and manages for land that it does not own; any such exchange must be consistent with existing statutory procedures for the disposal of real property (described below).

Disposition of Excess and Surplus Real Property

Each unit of State government must notify MDP in writing of any real property that is in excess of the needs of the unit, or any substantial change to any real property owned by the State (exchanges covered by the bill are exempt from this requirement). MDP must (1) study the proper disposition of the property; (2) determine whether any local government or unit of the State government is interested in the property; and (3) make an appropriate recommendation to the using unit of the State government and to BPW.

When a unit notifies MDP, the unit must include with the notification specified information relating to the property, and the information must be made available by the unit or MDP upon request. After MDP receives notice from a unit of State government, MDP must notify (1) specified committees of the General Assembly; (2) the General Assembly members who represent the legislative district in which the property is located; and (3) owners of property adjacent to the property declared excess, as specified.

Board of Public Works' Approval of the Disposition of Real Property

Any real property of the State may be sold, leased, transferred, exchanged, granted, or otherwise disposed of. For surplus real property and State-owned real property that has an appraised value of more than \$100,000, with some exceptions, BPW may not approve the

disposition of the property until (1) the Department of General Services or DNR has submitted two independent appraisals and (2) specified information about the property has been shared with the Senate Budget and Taxation Committee, the House Appropriations Committee, and LPC. LPC has 45 days to (1) approve the disposition of real property or (2) refer the proposed disposition to the full General Assembly. If LPC refers the disposition to the full General Assembly, BPW may not approve the disposition unless it is approved by the passage of legislation during the next legislative session. The bill exempts exchanges of real property covered by the bill from this process but institutes a substantively similar process for those exchanges.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of General Services; Department of Natural Resources; Board of Public Works; Department of Legislative Services

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