

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 331

(Senator Hayes)

Finance

Health and Government Operations

Baltimore City – West North Avenue Development Authority – Membership and Procurement

This emergency bill (1) alters the membership of the West North Avenue Development Authority (WNADA); (2) delays the date by which WNADA must report its comprehensive neighborhood revitalization strategy from October 1, 2023, to December 15, 2023; (3) requires the report to include information on WNADA’s procurement activities and adds the House Health and Government Operations Committee as a recipient; and (4) generally exempts WNADA from State procurement law. WNADA is still subject to written policy and procedure requirements for exempt units and the State’s Minority Business Enterprise (MBE) program. **The bill terminates September 30, 2026.**

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations, as discussed below.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law:

West North Avenue Development Authority

Chapters 80 and 81 of 2021 established WNADA for the purpose of developing a comprehensive neighborhood revitalization strategy for the benefit of a specified “target

area” and “buffer zone” in Baltimore City. The Acts establish provisions governing the membership, procedures, and duties of the authority.

WNADA members may not receive compensation but are entitled to reimbursement for expenses. WNADA is authorized to manage appropriated funds from Baltimore City and the State. WNADA may receive donated services from accountants, lawyers, or other consultants as necessary to carry out the authority’s duties. WNADA may also supervise, manage, and terminate staff and consultants as necessary.

WNADA must support the development and approval of a comprehensive neighborhood revitalization plan in the target area and the buffer zone to benefit (1) the residents; (2) housing; (3) neighborhoods; (4) economic development; and (5) transportation, including motor vehicles and pedestrians. WNADA must also work in coordination with the residents of the target area and the buffer zone to develop a comprehensive neighborhood revitalization plan.

By October 1, 2023, WNADA must report its comprehensive neighborhood revitalization strategy to the Governor and to the Senate Budget and Taxation and House Appropriations committees. The Acts terminate September 30, 2026.

Procurement Law – Exempt Entities and Minority Business Enterprise Program

Generally, each unit with an exemption from any provision of Division II of the State Finance and Procurement Article must have written policies and procedures for the exempted unit’s procurements. The written policies and procedures must include the types of procurement exempted from Division II, plus the methods for such procurements, and their advertising requirements, procurement goals (including MBE participation), and their approval process. Units that are governed by their own board, commission, council, or authority must submit their policies and procedures to their board, commission, council, or authority for approval.

The State’s MBE program requires that a statewide goal for MBE contract participation be established biennially through the regulatory process under the Administrative Procedure Act. The Maryland Department of Transportation is the State’s MBE certification agency. The fiscal 2023 goal is 29% MBE participation.

State Fiscal Effect: The bill exempts WNADA from most provisions of State procurement law, which generally requires oversight of procurement by the Board of Public Works, use of competitive procurement methods, and adherence to various procurement preference programs and requirements. However, WNADA is still subject to written policy and procedure requirements for exempt units and the State’s MBE program. Altering the

membership of the authority has minimal or no effect on State finances. As such, the bill does not materially affect State finances or operations.

WNADA advises that the bill primarily allows for the expedited procurement of a contract to complete the comprehensive neighborhood revitalization strategy required under Chapters 80 and 81 (due December 15, 2023, under the bill). WNADA estimates the cost of the contract at \$250,000, which will be paid for with existing funds. WNADA advises that other, smaller, contracts for specialized consulting services in housing, economic, and transportation development may also be expedited in the future as part of project development. The fiscal 2024 budget as passed by the General Assembly includes \$11.4 million for WNADA, primarily for WNADA's direct operations, including hiring additional staff and funding/initiating projects along West North Avenue in Baltimore City.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 627 (Delegate Amprey) - Health and Government Operations.

Information Source(s): West North Avenue Development Authority; Department of Commerce; Department of General Services; Baltimore City; Maryland Economic Development Corporation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2023
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