

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 694

(Senator Jennings)

Budget and Taxation

Environment and Transportation

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

This bill authorizes the Department of Natural Resources (DNR) – subject to certain requirements – to dispose of specified State-owned real property of less than five acres in size, in exchange for privately owned real property, without complying with 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 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 bill authorizes DNR to dispose of real property owned by the State for the use and benefit of the department, in exchange for privately owned real property, without complying with procedures in current law governing excess real property and the sale, transfer, grant, or exchange of State-owned real property, if (1) the privately owned

real property and the State-owned real property are adjacent; (2) the real property owned by the State does not exceed five acres in size; and (3) the owner of the privately owned real property requesting the exchange pays all costs associated with the exchange.

Prior to such a property exchange, DNR must:

- notify in writing by electronic mail or first-class mail (1) owners of property adjacent to the privately owned real property subject to the exchange; (2) the General Assembly members who represent the legislative district in which the real property exchange is located; and (3) the governing body of the county in which the real property exchange is located; and
- refer the proposed exchange 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).

Excess 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. 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.

For real property acquired under specified provisions of the Natural Resources Article of the Maryland Code, and other similar, specified public lands, 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, among other things, 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.

Sale, Transfer, Grant, or Exchange of State-owned Real Property

Any real property of the State may be sold, leased, transferred, exchanged, granted, or otherwise disposed of. With respect to the sale, transfer, grant, or exchange of real property

acquired under specified provisions of the Natural Resources Article (and other similar, specified public lands), 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, if the land meets both criteria above of being specified real property acquired under the Natural Resources Article (and other similar, specified public lands) and having an appraised value of more than \$100,000, the Legislative Policy Committee (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.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See SB 974 of 2022.

Designated Cross File: None.

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

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