

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 245

(Chair, Education, Energy, and the Environment
Committee)(By Request - Departmental - Planning)

Education, Energy, and the Environment

Municipalities - Annexation Resolutions - Submission to Department of Planning

This departmental bill adds the Maryland Department of Planning (MDP) to a list of entities to which a municipality that has annexed property must send a copy of the annexation resolution with the new boundaries. The annexation resolution must be sent to MDP within 10 days after the resolution takes effect. MDP must keep on record the resolution with the new boundaries and make the resolution available for public inspection during regular business hours.

Fiscal Summary

State Effect: The bill does not directly affect State finances.

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

Small Business Effect: MDP has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

Current Law:

Municipal Annexation

A municipality may enlarge its boundaries by annexation of land, subject to various criteria and procedures established in Title 4, Subtitle 4 of the Local Government Article, including

adoption of an annexation plan (a plan for providing municipal services to the annexed area) and enactment of an annexation resolution.

Annexation Plan Provided to Specified Entities

At least 30 days before a public hearing is held on an annexation resolution, a copy of the annexation plan must be provided to (1) the governing body of any county in which the municipality is located; (2) MDP; and (3) any regional or State planning agency with jurisdiction in the county.

Annexation Resolution Provided to Specified Entities

The chief executive and administrative officer of a municipality that has annexed property must send a copy of the annexation resolution with the new boundaries to (1) the clerk or similar official of the municipality; (2) the clerk of the court in any county in which the municipality is located; (3) DLS; and (4) for any municipality located in the Maryland-Washington Regional District, the Maryland-National Capital Park and Planning Commission. The annexation resolution must be sent to DLS within 10 days after the resolution takes effect. Each official or agency that receives an annexation resolution must keep on record the resolution with the new boundaries and make the resolution available for public inspection during regular business hours.

Background: MDP indicates that the bill's requirements will allow it to update its municipal and Priority Funding Area map layers – which other agencies use for spatial designation and funding decisions – in a timelier manner. Currently, the department must seek out annexation resolutions and new boundaries in order to make those updates.

Additional Information

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

Designated Cross File: HB 279 (Chair, Environment and Transportation Committee)(By Request - Departmental - Planning) - Environment and Transportation.

Information Source(s): City of Annapolis; City of Bowie; City of Takoma Park; Maryland Municipal League; Maryland Department of Planning; Department of Legislative Services

Fiscal Note History: First Reader - January 17, 2025
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Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Municipalities - Annexation Resolutions - Submission to Department of Planning

BILL NUMBER: SB 245

PREPARED BY: Andrew Wilson, Department of Planning Government Affairs Specialist

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposal adds the Department of Planning to a list of entities that the chief executive and administrative officer of a municipality that has annexed property must send annexation resolutions with new boundaries to. This added correspondence will have minimal impact on small businesses, although it will have the positive benefit of ensuring that small businesses located within recently annexed areas, and which are seeking growth-related funding (eg. certain Commerce or DHCD grants/loans), will not have to wait for updated municipal boundary maps and PFA designations, which often serve as prerequisites for funding eligibility.