

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 659

(Senator Augustine)

Education, Energy, and the Environment

Environment and Transportation

Prince George's Gateway Development Authority - Modifications

This bill requires the Prince George's Gateway Development Authority to meet at least four times per year and requires staff of the Prince George's County Redevelopment Authority to provide support for the operation of the authority in consultation with the Department of Housing and Community Development (DHCD). **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: DHCD can consult with authority staff as necessary with existing budgeted resources. Revenues are not affected.

Local Effect: Local expenditures for the Prince George's County Redevelopment Authority increase by up to approximately \$90,000 annually from FY 2025 through 2028, and by up to approximately \$22,500 in FY 2029, as discussed below. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law:

Prince George's Gateway Development Authority

Chapters 466 and 467 of 2023 established the Prince George's Gateway Development Authority in Prince George's County to support the development and approval of a

comprehensive neighborhood revitalization plan in the “target area” in the county. “Target area” means the City of Mount Rainier, the Town of Brentwood, the Town of Cottage City, the City of Bladensburg, the Town of Colmar Manor, and the Town of North Brentwood in Prince George’s County. The authority consists primarily of State and local government officials, or their designees. Authority members may not receive compensation but are entitled to reimbursement for expenses.

The authority may manage appropriated funds from municipalities in the target area, Prince George’s County, and the State. The authority may receive donated services from accountants, lawyers, or other consultants as necessary to carry out the Acts and may supervise, manage, and terminate staff and consultants as necessary.

The authority must support the development and approval of a comprehensive neighborhood revitalization plan in the target area to benefit (1) the residents; (2) housing; (3) neighborhoods; (4) economic development; and (5) transportation, including motor vehicles and pedestrians.

By October 31, 2025, the authority must report its comprehensive neighborhood revitalization strategy to the Governor, the Senate Budget and Taxation Committee, and the House Appropriations Committee.

Provisions related to the authority terminate September 30, 2028.

The Prince George’s County Redevelopment Authority

The Prince George’s County Redevelopment Authority was established by local legislation in 1997 as a body corporate and politic and an instrumentality of Prince George’s County. The authority may appoint certain core staff, such as an executive director, with the consent of the county executive and may also appoint and remove other employees or agents as the authority deems necessary or desirable.

Among other express powers related to economic development, the authority may (1) acquire, purchase, or otherwise obtain, hold, and use any property, or any interest therein; (2) accept grants from, make loans to, and enter into contracts with any federal, State, or local agency, or any private entity or party; (3) establish, impose, and collect tolls, rates, rentals, fees, and charges relating to its undertakings and property; and (4) subject to specified requirements, issue bonds.

Local Expenditures: Prince George’s County advises that the Prince George’s County Redevelopment Authority requires one contractual staff to provide support for the Prince George’s Gateway Development Authority for a period of three years (fiscal 2025

through 2027) at a cost of approximately \$90,000 annually, plus additional, unknown, costs for a consultant to develop the comprehensive plan in fiscal 2025 and 2026.

While the Department of Legislative Services cannot independently verify the need for staff and/or a consultant, the redevelopment authority is a local economic development entity and may appoint and remove employees and enter into contracts as it deems necessary. Additionally, the bill does not require the Prince George’s County Redevelopment Authority to support the development and approval of a comprehensive neighborhood revitalization plan in the “target area” in the county. That responsibility remains with the Prince George’s Gateway Development Authority and is not altered by the bill. For purposes of this estimate, it is assumed that contractual staff are potentially needed for a longer period – until the gateway development authority terminates September 30, 2028, but that consultants are not.

Accordingly, local expenditures for Prince George’s County – more specifically, for the Prince George’s County Redevelopment Authority – increase by up to approximately \$90,000 annually from fiscal 2025 through 2028 and by up to approximately \$22,500 in fiscal 2029 for a full-time contractual staff to support the operations the Prince George’s Gateway Development Authority. To the extent that the redevelopment authority chooses to instead use existing or part-time staff, the effect on local expenditures is less.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Housing and Community Development; Department of Commerce; Prince George’s County; Department of Legislative Services

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