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OFFICE OF THE SECRETARY

BILL: Senate Bill 744
Housing and Community Development – Affordable Housing – Listing and Disposal of Excess Real Property

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: March 10, 2022

POSITION: Letter of Information

Upon review of Senate Bill 744 Housing and Community Development – Affordable Housing – Listing and Disposal of Excess of Real Property, the Maryland Department of General Services (DGS), provides these comments for your consideration.

This bill would require the DGS Office of Real Estate (ORE) to work with agencies that have identified excess real property for use as affordable housing to donate or sell the property. As properties are identified, DGS must work with each agency to have the property reviewed through the State Clearinghouse process to ensure there is no other critical state need for the property. As the Clearinghouse recommendations are received, each property is declared surplus. An inventory will then be developed and maintained of properties declared surplus by the Board of Public Works for possible future use by the State as affordable housing. For each donation or sale of property, DGS will need to order title work and appraisals, review them, prepare the legal documentation for the transfer of property, submit the required 45-day legislative notification, and submit a request to the Board of Public Works for approval of the transfer in accordance with State Finance and Procurement § 10-305.

These tasks will require two additional Land Acquisition and Disposal Agents at a Grade 16 be hired to support this project. DGS-ORE currently has multiple disposal requests for hospital campuses throughout the State determined to be surplus by the Maryland Department of Health, as well as additional sites by the Department of Juvenile Services. **With the current workload and current staffing level, two additional support is required to complete the tasks set forth in this legislation.**

Expenditures will be needed for property title research and appraisals. Additionally, acreage verification through a survey will be needed if descriptions do not close using the DGS deed plotter software. **Title research can typically range from \$1,000 - \$5,000 per property; appraisal costs can range from \$15,000 - \$30,000 for two appraisals depending upon the size of the property; and survey costs can range from \$25,000 – over \$100,000 per property.** These are minimum estimates only, as there is no way to accurately estimate these costs until properties are identified and preliminary research is performed by DGS.

For additional information, contact Ellen Robertson at 410-260-2908.

