

Part D

Local Government

Local Government – Generally

Counties

Compilation of Local Laws

Each charter and code home rule county must annually provide, without charge, a copy of a certain compilation of laws enacted during the year to the State Archives, the State Law Library, the Department of Legislative Services, and each member of the county’s legislative delegation. *Senate Bill 174/House Bill 111 (both passed)* allow charter and code home rule counties to provide members of their legislative delegation an annual notice stating that a digital copy of the compilation of local laws is available on the Internet, as an alternative to furnishing each member with a printed copy of the compilation. The bills also clarify that copies furnished to State agencies must be in printed form.

Powers of Local Governments

Maryland counties operate under three forms of government: commission, code home rule, and charter home rule. As part of a nonsubstantive revision of the laws of Maryland relating to local governments that is overseen by the Department of Legislative Services, ambiguities were uncovered as to the application of a number of provisions of Article 25 of the Code to the various forms of county government. *House Bill 777 (passed)* clarifies that powers granted by State law under Article 25 are applicable to charter counties and code counties and clarifies how other provisions of Article 25 apply to charter counties, code counties, commission counties and Baltimore City.

Municipalities

Planning Commissions

The Maryland Department of Planning describes a planning commission as “an appointed body that advises the municipal or county governing body on all matters relating to the planning of growth and development, including the comprehensive plan, zoning, subdivision and other issues.” *House Bill 1244 (passed)* requires a planning commission appointed by a municipality to hold meetings quarterly, instead of monthly, or more often as the planning commission’s duties require and allows the chairperson of a commission to cancel the quarterly meeting if there is no business before the planning commission.

Land Bank Authorities

Land bank authorities are generally nonprofit or quasi-governmental entities formed for the purpose of transforming vacant, tax delinquent and abandoned property for the benefit of the surrounding property and larger community. *House Bill 1464 (passed)* allows the governing body of each municipality to create a land bank authority. A land bank authority may acquire, rehabilitate, own, and sell or transfer properties. Though a land bank authority may establish a land acquisition fund and issue bonds for the purchase and rehabilitation of properties, it does not have power of eminent domain and cannot levy any tax or special assessment.

Agreements among Municipalities

Senate Bill 394 (passed) expressly allows municipalities to enter into agreements with other municipalities for purposes including joint administration of the municipalities, procurement activities, the provision of municipal services, and the joint funding and management of projects that are centrally located to the municipalities.

Legislation Applicable to Both Counties and Municipalities

Binding Arbitration

Numerous counties and municipalities in Maryland have enacted local laws regarding the use of binding arbitration in collective bargaining disputes. Recent legal disputes have called into question the validity of these local laws. *Senate Bill 1123 (passed)* retroactively authorizes a county or municipality to adopt a local law or ordinance that allows for binding arbitration to resolve collective bargaining disputes regarding negotiations for employee wages, benefits, or terms and conditions of employment, if the county or municipality has already adopted such a local law or ordinance.

Business Improvement Districts

Business improvement districts (BIDs) in the United States have traditionally been established by groups of local businesses and property owners with the goal of attracting customers, clients, and shoppers to the district through coordinated improvements and shared

marketing efforts. *House Bill 1182 (passed)* establishes a process for the creation of BID. A district corporation may receive money from its incorporating local government, the State, or nonprofit organizations, charge fees for its services, employ individuals and hire consultants, and use the services of other governmental units. A local government establishing BID must provide for a tax within BID that is sufficient to support its operations, but the tax imposed may not count against a county or municipality tax cap. A district corporation is governed by a board of directors appointed by the members of the district.

Annual Financial Reports

Political subdivisions (counties, municipalities, and special taxing districts) must submit an annual audit and an annual financial report, commonly known as the *Uniform Financial Report* (UFR) to the Department of Legislative Services (DLS) by November 1 of each year. However, local governments with a population greater than 400,000 may take until January 1 to file the audit and annual financial report. In recent years, the General Assembly has altered the report filing deadlines for the audit and UFR in Howard County, Frederick County, and Wicomico County, all counties with a population under 400,000. Political subdivisions must also submit an annual comprehensive report on their financial condition to the State Treasurer and DLS.

Senate Bill 347/House Bill 839 (both passed) alter the timeframe in which a political subdivision must submit the annual comprehensive report to coincide with the date when the annual audit and the UFR must be submitted to DLS. *Senate Bill 994/House Bill 1110 (both passed)* change the filing due date for Queen Anne’s County’s annual financial report and annual audit from November 1 to January 1. Similarly, *House Bill 511 (passed)* changes the filing due date for St. Mary’s County’s annual financial report and annual audit from November 1 to January 1.

Special Taxing Districts

All counties have authority to establish special taxing districts for limited purposes, such as providing drainage improvements or providing street lighting. In addition, charter home rule and code home rule counties have broad authority under the Express Powers Act to create special taxing districts to carry out most “municipal-type services.” In addition, the General Assembly has granted 12 counties (Anne Arundel, Baltimore, Calvert, Cecil, Charles, Garrett, Harford, Howard, Prince George’s, St. Mary’s, Washington, and Wicomico) and Baltimore City broad authority to create special taxing districts and to levy *ad valorem* taxes and issue bonds and other obligations for purposes of financing infrastructure improvements. The types of infrastructure improvements authorized include storm drainage systems, water and sewer systems, roads, lighting, parking, parks and recreational facilities, libraries, schools, transit facilities, and solid waste facilities.

Tax Limitation Exemption for Transportation Improvements

Anne Arundel, Montgomery, Prince George’s, Talbot, and Wicomico counties have amended their charters to limit property tax rates or revenues. *Senate Bill 828 (passed)* exempts

certain financing costs for transportation improvements from a county tax limitation that would apply to *ad valorem* or special taxing districts. The bill authorizes county governments to enact a law to provide for the issuance of tax exempt bonds to finance the costs of transportation improvements for which the principal, interest, and any premium must be paid from and secured by special taxes collected by the county in a special taxing district.

Calvert County

In Calvert County, a special taxing district may not be created or special tax levied until a petition requesting a district is received from a homeowners' association. *Senate Bill 957/House Bill 1200 (both passed)* ensure that any, or a portion of, funds remaining in a special taxing district established in Calvert County after its termination may be applied to a future special taxing district established for the same subdivision, applied to a special taxing district reserve fund as agreed to by the county commissioners and the homeowners' association, or returned to owners of property in the district.

Local Laws

Each session, the General Assembly considers a number of bills affecting only one county. The following discussion is intended to provide a sampling of bills of that nature that passed.

Baltimore City

Police Department Death Relief Fund

The Baltimore City Police Department Death Relief Fund was established to pay a special one-time death benefit to eligible beneficiaries on the death of a police officer or civilian employee of the Baltimore City Police Department. A September 2009 independent audit report on the fund included recommendations that (1) the death benefit for a death that is proximately caused by injuries sustained or harm inflicted in the course of the performance of an officer's duty be increased from \$5,000 to \$10,000 because the board of trustees has already begun paying out benefits in that amount and (2) the designation of "captain" be replaced with "deputy major" because the City Police Department no longer uses the designation of "captain." *Senate Bill 173/House Bill 226 (both passed)* codify these recommendations.

Community Benefits District in East Baltimore

Baltimore City currently has four community benefits districts that provide various services, such as street lighting or additional security services, to residents and businesses in the district (Downtown Management Partnership, Charles Village District, Midtown District, and Waterfront District). *Senate Bill 1022 (passed)* allows the city to establish a community benefits district, and corresponding district authority, in the East Baltimore section of the city. The district authority would administer programs and activities to be conducted by the district authority; promote and market the district; provide supplemental security and maintenance

services; provide amenities in public areas; provide park and recreational programs and functions; and provide other services and functions as approved by an ordinance of the Mayor and the Baltimore City Council. The district’s financial plan, including its annual budget, tax rates, and schedule of charges must be approved by the Baltimore City Board of Estimates.

Motor Fuel for Dirt Bikes

It is a civil offense in Baltimore City for a service station or other person to sell, transfer, or dispense motor fuel for delivery into a dirt bike or an unregistered motorcycle or similar vehicle. *Senate Bill 1006/House Bill 1025 (Chs. 114 and 115)* make it a misdemeanor for an individual to dispense motor fuel into a dirt bike from a retail pump at a service station in Baltimore City. The Acts define dirt bike to mean a motorcycle or other similar vehicle that is not required to be registered. Violators are subject to a fine of up to \$1,000 and imprisonment for up to 90 days, or both, and a possible suspension of the driver’s license. If a person who violates the Acts is a minor, the court may order that a fine be paid by the minor or by a parent or guardian and the driving privilege of the minor may be suspended for between 30 and 90 days. Also, service stations are required to post a conspicuous sign stating the respective prohibitions; for failing to do so, they may first receive a warning and will be subject to a fine of up to \$100 for a second offense.

Calvert County

Regulation of Tattooing and Body Piercing

Tattooing and body piercing are regulated by the Maryland Department of Health and Mental Hygiene for the purpose of preventing and containing the spread of infection and illness. *House Bill 601 (passed)* authorizes Calvert County to adopt ordinances that regulate tattoo artist or body-piercing services and requires the Calvert County Health Department to enforce ordinances adopted under the bill.

Noise Control

Senate Bill 958/House Bill 1201 (both passed) authorize Calvert County to adopt environmental noise standards, sound level limits, and noise controls as necessary to protect public health, welfare, and property, provided that the requirements of the ordinance are not less stringent than or in conflict with State law. A violation of an ordinance is a civil offense subject to a fine of up to \$10,000. The county sheriff enforces the ordinance.

Cecil County

Board of Electrical Examiners

Senate Bill 728/House Bill 340 (both passed) repeal various provisions of local law related to the Cecil County Board of Electrical Examiners, including provisions regarding the establishment of the board; appointment and compensation of its members; the length of board terms; election of its officers; and the frequency and conduct of board meetings. Also repealed

are various duties and powers of the board, including licensing of master electricians and the board's electrical standards. State law provides counties with the authority to develop rules and regulations relating to electrical inspectors and issuing electrical permits.

Animal Control

The Animal Control Task Force appointed by the Cecil County Commissioners in 2009 recommended that State law be amended to provide the county with greater authority to regulate and license domestic animals. *Senate Bill 729 (passed)* authorizes the Cecil County Commissioners to provide by ordinance for comprehensive regulation of domestic animals and wild animals held in captivity, including licensing and control.

Budget and Taxation

Senate Bill 733 (passed) alters certain Cecil County budget and taxation laws. A public notice for a hearing on the county budget no longer must contain a copy of the proposed county budget and the names of nonprofit agencies receiving grants in the budget. Instead, the public notice must indicate that the proposed county budget will be available on the county web site and will be reproduced and made available to the public on request. Property tax payment timelines are altered to conform with Title 10, Subtitles 1 and 2 of the Tax – Property Article of the State code. Also, while tax sales have been held at the county courthouse, they will instead be held at the county administration building.

Collective Bargaining

Several counties in the State have collective bargaining for emergency medical services (EMS) employees. *Senate Bill 731 (passed)* authorizes Cecil County to enact an ordinance to allow collective bargaining between the county and specified EMS employees. Binding interest arbitration is not authorized and no particular method, means, or scope of bargaining between the county and the employee organization is prescribed.

Several counties in the State have collective bargaining for deputy sheriffs. *Senate Bill 726 (passed)* authorizes the representatives of deputy sheriffs at the rank of sergeant and below in Cecil County to bargain collectively with the sheriff and the Cecil County Commissioners on specified wages, benefits, and working conditions. The bill provides for nonbinding mediation and requires Cecil County to enact a local ordinance authorizing nonbinding arbitration if mediation fails to result in an agreement.

Dorchester County

The Dorchester County Sanitary Commission is a public corporate body authorized to operate as a monopoly in the provision of water and sewer services. The commission is the governing body of the county's sanitary district, and its members are appointed by the Dorchester County Council to six-year terms. *Senate Bill 40 (passed)/House Bill 113 (Ch. 129)* increase the number of sanitary commissioners from five to six.

Frederick County

Numerous “pay-as-you-throw” programs have been implemented nationwide, with the intent of increasing recycling in affected communities. *House Bill 678 (passed)* authorizes Frederick County to establish a pay-as-you-throw pilot program. Under the program, a solid waste hauler charges a residential customer a fee for the curbside collection of solid waste based on the volume of waste collected. A municipality may participate in the program only with approval of the governing body of the municipality.

Garrett County

The Garrett County Volunteer Fire and Rescue Association is responsible for the establishment of primary and secondary service areas for fire, rescue, and ambulance services in the county and for resolving disputes concerning service areas, mutual aid agreements, or communications. *Senate Bill 615/House Bill 733 (both passed)* establish a Garrett County Emergency Services Board. The bills transfer responsibility for resolving disputes related to service areas, mutual aid agreements, or communications from the Garrett County Volunteer Fire and Rescue Association, to the newly established board, and specify how disputes must be resolved. The Emergency Services Board is required to perform various duties relating to emergency fire, rescue, and medical services in the county. The bills provide that the board is the final step in the establishment of primary and secondary service areas for fire, rescue, and ambulance services in Garrett County.

In addition, *Senate Bill 615/House Bill 733* repeal the minimum property tax rates imposed by Garrett County for funding volunteer fire departments, increase the frequency with which the county commissioners are required to make payments to the volunteer fire departments, establish that the current minimum payments made from property tax assessments for funding rescue squads are the maximum amount of the payments and alter when those payments are made, and modify the required uses of funds provided to both volunteer fire departments and rescue squads. Finally, the bills modify requirements for volunteer fire departments and rescue squads that receive county funds and authorize the county commissioners to withhold funds if they fail to meet all the standards and policies recommended by the newly established board.

Harford County

Senate Bill 152 (passed) authorizes the Secretary of the Environment to delegate enforcement of sound level limits and noise control rules for Harford County to the Sheriff of Harford County, except with regard to lawful hunting or specified trapshooting, skeetshooting, or other target shooting in the county.

Howard County

Under the Public Ethics Law, in Howard County, an applicant for a zoning map amendment, a zoning regulation amendment, or an individual or entity, known as a party of

record, that participates in a specified manner in the adoption and approval of a comprehensive zoning plan must file an affidavit stating whether the applicant (1) has made specified political contributions to a candidate or the candidate's political committee for election as Howard County Executive or to the Howard County Council, who becomes elected, or to a group, combination, or organization of candidates; or (2) is currently engaging in business with the Howard County Executive or a member of the Howard County Council. An applicant or party of record that has made, or whose family member has made, a contribution or contributions must file a specified disclosure regarding the contributions.

House Bill 230 (Ch. 138) specifies that, for these purposes, the definition of "applicant" includes any person authorized to sign the application. The Act also requires the administrative assistant to the zoning board and the administrator of the county council to prepare a summary report compiling all affidavits and disclosures filed under these provisions promptly on receipt, instead of at least twice each calendar year. In addition, the Act provides that the summary report must be available for immediate inspection upon written request.

Montgomery County

For economic development purposes, counties are authorized to create industrial development authorities to promote economic development. These authorities may offer loans and provide grants to private enterprises but are not authorized to make a direct equity investment in an enterprise. Local governments must establish and follow an investment policy consistent with guidelines established by the State Treasurer which generally require a local government investment policy to adhere to the same investments authorized under the State Finance and Procurement Article of the Annotated Code and do not allow a local government to make a direct equity investment in a business in the State.

House Bill 891 (passed) authorizes Montgomery County, through the county's economic development fund, to make an equity investment in a company that is located in the county or agrees to relocate its business to the county. The county may not acquire an ownership interest exceeding 25% of any enterprise. The bill specifies how funds invested by the county may be used and establishes the terms of an equity investment that must be set forth in a funding agreement. A funding agreement must prohibit the county from participating in selection of the management of the company; engaging in oversight of the operation of the company; or assuming any present or future liability of the company. Notice of each equity investment made under *House Bill 891* must be posted in a readily accessible and clearly identified location on the Montgomery County government web site within five days after the date on which the county initiates the equity investment transaction.

Prince George's County

Prince George's County currently has a number of agencies and authorities involved with economic development activities in the county. *The Prince George's County Redevelopment Authority* facilitates redevelopment through partnerships with other private- or public-sector partners by providing planning for community development and neighborhood revitalization;

facilitating the development of real estate; providing technical assistance to strengthen local community development and other organizations; and coordinating revitalization and redevelopment efforts within Prince George’s County. *The Prince George’s County Revenue Authority* was established to streamline procurement, land acquisition, and land disposition processes; provide staff expertise in land development, economic development, and capital financing and facilities maintenance; and finance revenue bonds for government and the public/private sectors.

House Bill 704 (passed) authorizes Prince George’s County to merge the county Redevelopment Authority, the county Revenue Authority, and any other unit of county government whose purpose relates to economic development in the county. An entity resulting from a merger will have the same powers, duties, and limitations of the individual merging entities.

Queen Anne’s County

Chapter 608 of 2001 authorized counties and municipalities to apply to the Department of Business and Economic Development (DBED) to establish arts and entertainment districts within the county or municipality. DBED can use the Maryland Economic Development Assistance Fund to provide financial assistance to arts and entertainment enterprises and arts and entertainment projects. According to the Maryland State Arts Council, there are currently 18 arts and entertainment districts in the State. An area designated as an arts and entertainment district must be a contiguous geographic area that is wholly within a priority funding area, however, *House Bill 822 (Ch. 164)* allows Queen Anne’s County, subject to approval by the Secretary of Business and Economic Development, to establish an arts and entertainment district composed of noncontiguous areas.

Washington County

County Contributions to Private or Cooperative Public Improvements Projects

Generally, Washington County may not enter into a contract to which the county is a party where the amount involved exceeds \$25,000 without first advertising for bids. *House Bill 458 (passed)* increases, from \$50,000 to \$100,000, the maximum value of a contract which the Washington County Commissioners may enter into for a public improvement project without first advertising for bids if the majority of the responsibility for the public improvement is with another public or private entity. Any action by the county commissioners to participate in such a project must be taken at a regularly scheduled meeting of the county commissioners and must be based on written price quotations from at least three contractors.

Emergency Communications Center – Polygraph Examinations

With certain exceptions, an employer may not require or demand, as a condition of employment, prospective employment, or continued employment, that an individual submit to or take a lie detector or similar test. Exceptions to the prohibition include State and local law

enforcement officers; specified correctional officers; and applicants for employment or an employees of specified correctional facilities and detention centers.

Applicants for employment as law enforcement dispatchers in Washington County formerly were eligible to undergo a polygraph test during their application process because the dispatchers were employed by an exempt local law enforcement agency. However, the Emergency Communications Center in Washington County is now an independent entity. *House Bill 453 (passed)* specifies that applicants for employment with the Washington County Emergency Communications Center may be required to take a lie detector test.

Salary Study Process

The Washington County Salary Study Commission was created by Chapter 85 of 1994, to study the salaries of certain officials, including the Board of County Commissioners, the Board of Education, Orphans' Court judges, the Sheriff, the State's Attorney, the County Treasurer, the Board of Supervisors of Elections, and the Board of Liquor License Commissioners. The commission is required to issue a report containing recommendations to the county commissioners for review and consideration every four years. The county commissioners may accept, reduce, or reject but may not increase the recommendations of the commission and submit their recommendations to the legislative delegation concerning the salaries studied by the commission.

House Bill 966 (passed) alters the method for selecting the one at large member of the Washington County Salary Study Commission by requiring the member to be appointed by the Washington County Retired Teachers Association instead of by the Washington County Council of PTA's. The bill repeals the requirement that the commission study the salary of the State's Attorney. The bill alters the requirement that the Washington County Commissioners submit salary recommendations to the county legislative delegation to include only recommendations for salaries for the county commissioners and the sheriff and requires the county commissioners to set by local law the other salaries reviewed by the commission within 45 days after receiving the recommendations. Also, the bill establishes criteria that the commission must consider for each office in formulating its report and recommendations to the county commissioners.

Bi-county Agencies

Maryland-National Capital Park and Planning Commission

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Regional District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program. M-NCPPC is governed by a 10-member commission with 5 members appointed by the County Executive of Prince George's County and confirmed by the county council and 5 members appointed by the Montgomery County Council with the approval of the county executive.

Commission Contracts

House Bill 1481 (*passed*) is emergency legislation which prohibits, in Montgomery County, a lease, contract, or agreement entered into by M-NCPPC from containing a provision that (1) authorizes a person other than M-NCPPC to close a park or park facility; or (2) grants a person other than M-NCPPC the authority to close or require the closing of an existing park or park facility under the jurisdiction of M-NCPPC to prevent competition.

Development Permit Review

House Bill 576 (*passed*) establishes an expedited approval process in Prince George's County of applications for development permits for qualifying redevelopment projects, so as to encourage environmentally responsible urban renewal and revitalization. Prince George's County is generally required to approve or disapprove applications for development permits for qualifying redevelopment projects and to provide applicants with written notice of the approval or disapproval within 90 days of receiving the application except under specified circumstances. A qualifying redevelopment project is defined as a development project to rehabilitate dilapidated real property through demolition, reconstruction, or reuse that incorporates specified environmentally responsible design elements.

Washington Suburban Sanitary Commission

The Washington Suburban Sanitary Commission (WSSC) is the eighth largest water and wastewater utility in the country and provides water and sewer services to 1.8 million residents in Montgomery and Prince George's counties. WSSC has over 460,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,500 people. The agency operates four reservoirs, two water filtration plants, and six wastewater treatment plants. Additionally, the Blue Plains Water Pollution Control Plant handles as much as 169 million gallons per day under a cost-sharing agreement with WSSC. The agency maintains nearly 5,500 miles of water main lines and over 5,300 miles of sewer main lines.

Code Revision

Senate Bill 96 (*Ch. 37*) revises, restates, and recodifies the laws of the State that relate to the Washington Suburban Sanitary Commission. The bill transfers specified provisions of Article 29 – Washington Suburban Sanitary District to Article 28 – Maryland-National Capital Park and Planning Commission, adds a new division (Division II – Washington Suburban Sanitary Commission) to the Public Utilities Article, and adds specified provisions to Article 24 – Political Subdivisions – Miscellaneous Provisions.

Senate Bill 249 (*Ch. 52*) corrects specified cross-references to the Public Utility Companies Article in the Annotated Code of Maryland to reflect the renaming of the article to the Public Utilities Article. **Senate Bill 249** also corrects specified cross-references to Article 29 – Washington Suburban Sanitary District.

Division II of the Public Utilities Article, entitled “Washington Suburban Sanitary Commission,” and the transfer of other provisions resulting from these bills, is a product of the continuing nonsubstantive revision of the Annotated Code of Maryland by the legal staff of the Office of Policy Analysis of the Department of Legislative Services.

Planning and Land Use

Maryland Sustainable Growth Commission

The Task Force on the Future for Growth and Development in Maryland (established by Chapter 381 of 2006 and modified by Chapter 626 of 2007) is charged with studying a wide range of smart growth and land use issues impacting Maryland and is required to advise the Smart Growth Subcabinet. The task force released a report in January 2009 providing detailed recommendations for various actions by the State and local governments, including a proposal for additional study by a broader group.

In response to the recommendation of the task force, the Administration introduced *Senate Bill 278/House Bill 474 (both passed)* to repeal the Task Force on the Future for Growth and Development in Maryland and establish a Maryland Sustainable Growth Commission. The commission is to provide the State with a broad representation of stakeholders who can continue to promote a smart and sustainable growth agenda and is intended to build on the task force’s work by providing a forum to analyze and advise on a myriad of planning issues.

The duties of the commission include:

- assessing and advising on the progress of State, regional, and local planning toward achieving the goals of the State economic growth, resource protection, and planning policy;
- making recommendations on the adequacy, coordination, and implementation of funding mechanisms and other State assistance for planning activities and infrastructure and land preservation needs;
- promoting planning coordination and interjurisdictional cooperation;
- advising on the content, preparation, and implementation of the State development, transportation, and housing plans;
- promoting and making recommendations regarding efficient and predictable model State and local government regulations to achieve the goals of the State economic growth, resource protection, and planning policy;
- evaluating the continuing viability and effectiveness of State and local government smart growth indicators and recommending changes to those indicators;

- reviewing reports on adequate public facilities submitted by local governments;
- developing and assisting with smart growth educational and outreach programs;
- periodically reviewing educational requirements for members of planning boards and commissions and boards of appeals;
- recommending changes in State law, regulations, policies, and procedures necessary to achieve State planning goals; and
- serving as an advisory board to the Smart Growth Subcabinet.

The bills require that commission members who represent a region of the State must have knowledge of smart growth and planning issues. Members, excluding *ex officio* members or their designees, serve five-year terms. The Maryland Department of Planning is required to provide staff support for the commission. The commission must submit an annual report on its activities and recommendations to the Governor, the Presiding Officers, and specified committees of the General Assembly. The bills take effect July 1, 2010, and terminate on December 31, 2020.

The Sustainable Communities Act of 2010

House Bill 475 (passed) is an Administration bill that reestablishes the Heritage Structure Rehabilitation Tax Credit Program as the Sustainable Communities Tax Credit Program, extends the program's termination date through fiscal 2014, and alters eligibility requirements for the program. For a detailed discussion on the Sustainable Communities Tax Credit Program as contained in this bill, see the subpart "Income Tax" within Part B – Taxes of this *90 Day Report*.

House Bill 475 also makes several changes to other State programs, including the Community Legacy and Designated Neighborhood Programs, so as to streamline and better integrate these revitalization programs and enhance the State's ability to obtain federal financial assistance. The bill coordinates the review of the State's revitalization programs through the Smart Growth Subcabinet and requires the subcabinet to weigh in on Base Realignment and Closure (BRAC) and transit-oriented development zone designations.

Smart Growth Subcabinet

House Bill 475 increases membership of the Smart Growth Subcabinet by adding the Secretary of Health and Mental Hygiene; Secretary of Labor, Licensing, and Regulation; and Director of the Maryland Energy Administration. The subcabinet is required to work together to create, enhance, support, and revitalize sustainable communities and make recommendations to the Department of Business and Economic Development (DBED) on BRAC Zone designations, the Department of Housing and Community Development (DHCD) on sustainable community designations, the Maryland Department of Planning (MDP) on the Sustainable Communities Tax Credit program, and the Maryland Department of Transportation (MDOT) on transit-oriented development (TOD) districts.

Community Legacy and Neighborhood Business Development Programs

House Bill 475 states that it is the intent of the General Assembly that the community legacy and neighborhood business development programs be used to create and support sustainable communities. Accordingly, community legacy areas and community legacy plans are eliminated and replaced with sustainable communities and sustainable community plans. Under both the community legacy program and neighborhood business development program, designated neighborhoods are eliminated and replaced as sustainable community designations.

A sustainable community is the part of a priority funding area that is designated by the Smart Growth Subcabinet on the recommendation of the Secretary of Housing and Community Development, has been designated as a BRAC revitalization zone, or has been designated as a TOD district. A sustainable community plan is a plan consisting of one or more community legacy projects or other revitalization projects to prevent or reverse the decline or disinvestment in a sustainable community through improvements in residential, commercial, or other public or private properties. The bill also eliminates the Community Legacy Board and the advisory board to the Community Legacy Board.

To maintain a sustainable community designation, an updated plan and application must be sent every five years to DHCD. The bill also provides for the conversion of existing community legacy areas and designated neighborhoods to sustainable communities under specified circumstances.

BRAC Revitalization Zones

Within 60 days after a submission date from an eligible local government, the Secretary of Business and Economic Development may designate one or more BRAC revitalization and incentive zones from among the areas described in the application. *House Bill 475* eliminates a requirement that the Secretary must consult with the cabinet Secretaries or designees of Transportation, Housing and Community Development, Environment, and Planning before designating a BRAC Revitalization and Incentive Zone. The bill instead provides that the Secretary of Business and Economic Development may designate a zone after receiving a recommendation from the Smart Growth Subcabinet.

Maryland Department of Transportation

House Bill 475 contains intent language requiring MDOT to consider sustainable communities as it considers annual revisions to the Consolidated Transportation Program. The department is also required to consult twice annually with the Smart Growth Subcabinet on how to work cooperatively to make mutual investments toward creating and supporting sustainable communities across the State.

House Bill 475 alters how the Secretary of Transportation may designate a TOD district. The bill provides that the Secretary may designate a TOD district after considering a recommendation of the Smart Growth Subcabinet and repeals a requirement that the Secretary

first consult with the Secretaries of Business and Economic Development, General Services, Housing and Community Development, Environment, and Planning.

