

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 1452  
 Economic Matters

(Delegate Toles, *et al.*)

Finance

Economic Development - Prince George's County Suitland Development  
 Authority - Established

This bill establishes the Suitland Development Authority (SDA) in Prince George’s County as a body politic and corporate and an instrumentality of the State to – generally – promote the revitalization and economic development of the communities along the Suitland Road and Silver Hill Road Intersection in Prince George’s County. The bill delineates various express powers for SDA, establishes related requirements for the authority, and outlines the applicability of various existing provisions of State law (such as procurement, taxation, and ethics). The bill also establishes a related special fund. The Governor must include each year in the annual budget bill an appropriation of \$500,000 to SDA; however, the bill also specifies that SDA is to be self-sustaining beginning in fiscal 2036.

Fiscal Summary

**State Effect:** Notwithstanding the mandated appropriation, general fund expenditures are assumed to increase by at least \$10.0 million annually from FY 2027 through 2035 to fund SDA; special fund revenues and expenditures are assumed to increase correspondingly. Special fund revenues increase further to the extent loans are repaid or SDA establishes any fees or charges, as authorized. **This bill establishes a mandated appropriation beginning in FY 2028.**

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
GF Expenditure	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
SF Expenditure	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
Net Effect	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

**Local Effect:** Prince George's County finances may be affected beginning as early as FY 2027, as discussed below.

**Small Business Effect:** Meaningful, in Prince George's County, as discussed below.

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## Analysis

### Bill Summary:

#### *Findings and Intent of the General Assembly and the Legislative Purposes of the Authority*

The bill establishes several findings of the General Assembly related to the Suitland Road and Silver Hill Road Intersection and the need for its revitalization. In line with those stated findings, the bill specifies that the legislative purposes of SDA are to:

- revive the various communities along the Suitland Road and Silver Hill Road Intersection in Prince George's County;
- promote economic development;
- encourage the increase of business activity, commerce, and a balanced economy in the county;
- help to retain and attract business activity and commerce in the county; and
- promote the health, public safety, right of gainful employment, and welfare of residents in the county.

Further, the General Assembly intends that:

- SDA operate and exercise its corporate powers along the Suitland Road and Silver Hill Road Intersection in Prince George's County;
- without limiting its authority to otherwise exercise its powers, SDA exercise its powers to assist private real estate entities and nonprofit community development corporations to develop and rehabilitate housing and commercial units in Prince George's County and support local economic development agencies to contribute to the expansion, modernization, and retention of existing enterprises in the county as well as the attraction of new businesses to the county; and
- SDA should not own and operate a project unless (1) its board of directors determines by resolution that the private sector has not demonstrated serious and significant interest and development capacity to own and operate the project or (2) a representative of a governmental unit requests in writing that SDA own and operate the project.

### *Suitland Development Authority – Generally*

SDA is a body politic and corporate, an instrumentality of the State, and the economic development authority for the State to benefit the neighborhoods of Prince George’s County within the “target area.” “Target area” means the Suitland Road and Silver Hill Road Intersection in Prince George’s County. “Buffer zone” means the area within 250 yards of the target area.

The exercise by SDA of a power under the bill’s provisions is the performance of an essential governmental function. A board of directors with specified members must manage SDA and exercise its powers. The Prince George’s County Executive must select the chair of the board. A member of the authority may not receive compensation but is entitled to reimbursement for expenses as provided in the State budget.

SDA must establish a system of financial accounting, controls, audits, and reports. The fiscal year of the authority begins on July 1 and ends on the following June 30. SDA may create and administer the accounts that it requires. SDA may manage appropriated funds from Prince George’s County and the State, and it may receive donated services from accountants, lawyers, or other consultants as necessary to carry out the bill. SDA may also supervise, manage, and terminate staff and consultants as necessary.

### *Express Powers*

The bill establishes several express powers for SDA, including, among other things, the authority to:

- make or accept and manage loans, grants, or assistance of any kind from specified public and private sources;
- make grants to individuals;
- acquire properties in Prince George’s County, directly or indirectly, by various specified means, to improve, manage, market, maintain, or lease, or for development or redevelopment, as specified;
- acquire, purchase, hold, lease as lessee, and use (1) a franchise, patent, or license; (2) any real, personal, mixed, tangible, or intangible property; or (3) an interest in such a property;
- finance all or part of the acquisition or improvement of a project;
- sell, lease as lessor, transfer, license, assign, or dispose of property or a property interest that it acquires;
- fix and collect rates, rentals, fees, royalties, and charges for services and resources it provides or makes available;
- enter into contracts, as specified;

- exercise power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law;
- create a special district benefit for the commercial businesses in the target area;
- set salaries in accordance with the jurisdiction market rate and outside the State Personnel and Pension System;
- ensure money is being spent effectively and efficiently on development and that development is happening in the appropriate way for the Suitland Road and Silver Hill Road Intersection;
- provide advisory services to State and county agencies on planning and development for the target area;
- initiate, fund, and monitor for efficiency and effectiveness economic, housing, transportation, neighborhood, and green space development within the target area;
- make rules and regulations for the operation and use of land, property, and undertakings under the authority's jurisdiction; and
- do all things necessary or convenient to carry out the powers expressly granted by the bill.

#### *Comprehensive Neighborhood Revitalization Plan*

SDA must support the development and approval of a comprehensive neighborhood revitalization plan for the target area and the buffer zone to benefit the residents, housing, neighborhoods, economic development, and transportation (including motor vehicles and pedestrians). SDA must also work in coordination with the residents of the target area and the buffer zone to develop that comprehensive neighborhood revitalization plan. By a majority vote of all members, SDA may modify the boundaries of the target area and the buffer zone.

By December 15, 2027, SDA must report its comprehensive neighborhood revitalization strategy, including any procurement activities undertaken by the authority, to the Governor and specified committees of the General Assembly.

#### *Suitland Development Authority Fund*

The Suitland Development Authority Fund is established as a special, nonlapsing fund to provide funds for SDA to use for consulting fees, salaries, and administrative expenses. SDA must administer the fund, which consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund. The fund may be used only for administrative purposes and to carry out the bill's functions. Expenditures from the fund may be made only in accordance with the State budget.

### *Applicability of State Laws*

Generally, in exercising its powers, SDA may carry out its purposes without the consent of any State unit. SDA is also not subject to specified provisions in the Economic Development Article (local economic development financing methods) and the following provisions of the State Finance and Procurement Article:

- Title 2, Subtitles 2 (Gifts and Grants) and 5 (Facilities for the Handicapped);
- Title 3 (Budget and Management);
- Title 4 (Department of General Services);
- Title 5A (Division of Historical and Cultural Programs);
- Title 6, Subtitle 1 (Studies and Estimates);
- Title 7, Subtitles 1 (State Operating Budget), 2 (Disbursements and Expenditures), and 3 (Unspent Balances);
- Title 10 (Board of Public Works – Miscellaneous Provisions); or
- Division II (General Procurement Law).

SDA is, however, subject to the Public Information Act (PIA) and the Open Meetings Act. SDA, its officers, and its employees are subject to the Public Ethics Law and Title 12, Subtitle 4 (Policies and Procedures for Exempt Units) of the State Finance and Procurement Article. SDA is also subject to Title 14, Subtitle 3 of the State Finance and Procurement Article (Minority Business Participation).

### *Taxation*

SDA is exempt from taxation or assessments on any part of a development or project, SDA's activities in operating and maintaining a development or project, and revenues from a development or project. However, any property that is sold or leased by SDA to a private entity is subject to Prince George's County and local real property taxes from the time of sale or lease.

SDA is also exempt from State and local transfer and recordation tax and from the sales and use tax on construction materials for a project in the target area of the buffer zone.

### **Current Law:**

#### *West North Avenue Development Authority*

Chapters 80 and 81 of 2021 established the West North Avenue Development Authority (WNADA) for the purpose of developing a comprehensive neighborhood revitalization strategy for the benefit of a specified "target area" and "buffer zone" in Baltimore City,

generally defined as West North Avenue and the surrounding area in Baltimore City. The Acts establish provisions governing the membership, procedures, and duties of WNADA. Under Chapter 136 of 2023, the authority is generally exempt from State procurement law, although it is still subject to written policy and procedure requirements for exempt units and the State's Minority Business Enterprise (MBE) program. By December 15, 2023, WNADA was required to report its [comprehensive neighborhood revitalization strategy](#), including any procurement activities undertaken by the authority, to the Governor and specified committees of the General Assembly.

Chapters 215 and 216 of 2025 altered the composition, powers, and duties of WNADA. Among other things, the Acts created a special fund to carry out the purposes of WNADA, exempted WNADA from specified provisions of State law, and generally modified the statutory authority of WNADA to more closely align with that of a State economic development authority. The Acts also extended the authorization for WNADA until September 30, 2029, authorized the Governor to include an appropriation to WNADA, and required WNADA to be self-sustaining beginning in fiscal 2028.

#### *Policies and Procedures for Exempt Units – Generally*

Title 12, Subtitle 4 of the State Finance and Procurement Article generally requires that each specified entity of State government with an exemption from any provision of the State's General Procurement Law have written policies and procedures for that exempted unit's procurements. The written policies and procedures must generally include (1) the types of procurement exempted; (2) the methods of procurement to be used; (3) the advertising requirements for each type of procurement; (4) procurement goals, including minority business enterprise participation, for each type of procurement; and (5) the approval process for each type of procurement, as specified.

At the beginning of each fiscal year, each unit must submit written policies and procedures to the Board of Public Works for review. Authorized entities governed by their own board, commission, council, or authority must also submit their policies and procedures to their board, commission, council, or authority for approval.

#### *Minority Business Enterprise Program*

The State's MBE program requires that a statewide goal for MBE contract participation be established biennially through the regulatory process under the Administrative Procedure Act. The biennial statewide MBE goal is established by the Special Secretary for the Office of Small, Minority, and Women Business Affairs (OSBA, now housed within the Department of Social and Economic Mobility), in consultation with the Secretary of Transportation, the Chief Procurement Officer, and the Office of the Attorney General (OAG). In a year in which there is a delay in establishing the overall goal, the previous

year's goal applies. The Special Secretary is also required to establish biennial guidelines for State procurement units to consider in deciding whether to establish subgoals for different minority groups recognized in statute. In a year in which there is a delay in issuing the guidelines, the previous year's guidelines apply.

In August 2013, OSBA announced a new statewide goal of 29% MBE participation that applied to fiscal 2014 and 2015; as no new goal has been established, the 29% goal remains in effect for fiscal 2026.

### *Public Information Act, Generally*

Maryland's PIA establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. Each governmental unit that maintains public records must identify a representative whom a member of the public may contact to request a public record. OAG must post all such contact information on its website and in any *Public Information Act Manual* published by OAG.

### *Open Meetings Act, Generally*

Under Maryland's Open Meetings Act, with limited exceptions, a public body must (1) meet in open session in places reasonably accessible to potential attendees and (2) provide reasonable advance notice of the time and location of meetings, including, when appropriate, whether any portion of a meeting will be in closed session. A "public body" is any entity that (1) consists of at least two individuals and (2) is created by the Maryland Constitution; a State statute; a county or municipal charter; a memorandum of understanding or a master agreement to which a majority of the county boards of education and the Maryland State Department of Education are signatories; an ordinance; a rule, resolution, or bylaw; or an executive order of the Governor or of the chief executive authority of a political subdivision. Exclusions from the definition of "public body" include juries, the Governor's cabinet and Executive Council, judicial nominating commissions, and single-member entities, among others.

Guidance provided by OAG indicates that when the meeting "place" is a conference call, the public can be provided access through a call-in number or by access to a meeting room with a speakerphone.

### *Maryland Public Ethics Law*

The Maryland Public Ethics Law sets out requirements, prohibitions, and procedures that affect officials in the Legislative, Executive, and Judicial branches of government for the purpose of maintaining people's trust in government and protecting against the improper

influence and the appearance of improper influence of government. The Maryland Public Ethics Law is administered by State Ethics Commission with the Joint Committee on Legislative Ethics and the Commission on Judicial Disabilities. Among the requirements, prohibitions, and procedures of the Maryland Public Ethics Law are provisions regarding conflicts of interest and financial disclosure statements.

**State Fiscal Effect:** The bill requires the Governor to include an appropriation of \$500,000 to SDA each year in the annual budget bill. The Department of Legislative Services notes that, while the bill does not specify the timing for that appropriation, the Governor cannot be required to include funding in the fiscal 2027 budget. As a result, the bill's mandated appropriation begins in fiscal 2028 and any funding provided in fiscal 2027 is entirely discretionary.

The bill is structured similarly to Chapters 215 and 216 which, as discussed above, established WNADA as an instrumentality of the State and expanded its powers to generally operate as a development authority. The fiscal 2024 through 2026 budgets included approximately \$11.4 million, \$15.8 million, and \$21.3 million, respectively, for WNADA, and the fiscal 2027 budget as introduced includes approximately \$19.8 million for WNADA. As the bill envisions that SDA will operate in a manner similar to WNADA, this analysis assumes that SDA needs funding at a level similar to WNADA's fiscal 2024 budget to ensure that SDA is viable as an economic development authority.

Therefore, notwithstanding the mandated appropriation beginning in fiscal 2028, general fund expenditures are assumed to increase on a discretionary basis sooner and by a greater amount – at least \$10.0 million annually from fiscal 2027 through 2035 – and that funding is assumed to capitalize the Suitland Development Authority Fund. Despite the requirement that SDA be self-sustaining beginning in fiscal 2036, \$500,000 in funding must still be provided in the annual budget that year and annually thereafter. Accordingly, this analysis assumes that general fund expenditures continue at \$500,000 in perpetuity beginning in fiscal 2036.

Special fund revenues to and expenditures from the Suitland Development Authority Fund are assumed to increase correspondingly – even though the bill does not require the appropriation to be made to the fund. As SDA is authorized to use the fund for administrative expenses, any staffing costs are assumed to be absorbed within the appropriation provided to it; expense reimbursements for authority members are assumed to be minimal and covered as an administrative expense. Funding used for administrative expenses is not available for other authorized purposes. To the extent any loans are made by SDA, or fees or charges assessed, special fund revenues increase further from loan repayments, fees, and/or charges.

This analysis assumes that SDA spends all appropriated funds (at least \$10.0 million) each year and that it requires additional capitalization at that level each subsequent year through fiscal 2035. However, should SDA become self-sustaining prior to fiscal 2036, the need for general funds in an amount greater than \$500,000 decreases accordingly.

**Local Fiscal Effect:** To the extent Prince George’s County provides funding to the authority, Prince George’s County expenditures increase in fiscal 2027 and possibly future years. The bill may also affect local revenues. It exempts the authority from local transfer and recordation taxes. However, any property that is sold or leased by SDA to a private entity is subject to Prince George’s County and local real property taxes from the time of sale or lease. In addition, property assessments may increase to the extent the authority develops property (particularly in the target area of the buffer zone), but any reliable estimate is not feasible.

**Small Business Effect:** Small businesses located within and near the Suitland Road and Silver Hill Road Intersection in Prince George’s County likely benefit from SDA funding and any authorized projects aimed at revitalizing and redeveloping the area. Small businesses involved in construction and related trades likely also benefit from an increase in the demand for their services in the affected area.

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### **Additional Information**

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

**Designated Cross File:** SB 552 (Senator Charles) - Finance.

**Information Source(s):** Department of Commerce; Prince George’s County; Department of Legislative Services

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