

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 818

(Senator Hayes)

Budget and Taxation

Economic Matters and Appropriations

State Center - Development - Contract, Plan Requirements, and Advisory Group

This bill requires the State or its reporting agency to convene an advisory group to (1) provide community input on the development of State Center; (2) inform the identification of potential community benefits associated with the project in the immediate surrounding neighborhoods that border State Center; and (3) facilitate transparency and information-sharing between the developer, the State or its reporting agency, and the community surrounding State Center. The bill specifies membership of the advisory group and establishes requirements that any development contract or plan for State Center must meet. The bill also requires a developer who is a party to a new contract or plan for the development of State Center to use its best practical efforts to begin construction within 24, rather than 18, months after execution of the new contract and any associated plans.

Fiscal Summary

State Effect: None. The creation of a State Center advisory group does not materially affect governmental operations or finances.

Local Effect: None. The creation of a State Center advisory group does not materially affect local governmental operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The members of the advisory group must elect one member to serve as chair of the advisory group by majority vote of the members present at the meeting when the election is held. The chair serves for a term designated by the advisory group, and

continues to serve beyond the term of office until a successor is elected. The chair of the advisory group must provide the members of the advisory group with all notices received by the chair.

If an individual who serves on the advisory board as a representative of a neighborhood association is employed by an anchor institution, the individual must represent only the interests of the neighborhood association and may not represent the interests of the anchor institution. The advisory group must adopt a policy on conflicts of interest for members as part of the governance procedures of the advisory group and develop a conflict-of-interest disclosure document. The advisory group may address any conflicts of interest as set forth in the governance procedures, including by requiring a neighborhood association to appoint a designee to the advisory group who is not employed by an anchor institution if deemed necessary to resolve the conflict.

Any new or modified development contract or plan must, to the extent possible, include anchor institutions that provide public or community services, which may include units of the State or Baltimore city, as the major tenants; the bill repeals a requirement that it include parking facilities but retains other features required under current law. The bill also maintains existing requirements that any new or modified contract or plan for the development of State Center must include but clarifies that the provisions only be included to the extent that they are consistent with federal law and with any requirements tied to public funding sources.

The State or its reporting agency and any developer who is party to a contract or plan for the development of State Center must engage with the advisory group throughout the planning and development process, including by providing updates on any public approval proceeding.

The bill repeals a requirement that the State include the State Center Neighborhood Alliance, Inc. in any selection process for a new development contractor and the development of any new plans or proposed modifications and instead requires that the State or its reporting agency engage in community consultation during the development of State Center through communication with the advisory group.

Current Law: State law specifies that the State or its reporting agency may not enter into a new or modified contract or plan for the development of State Center unless it includes:

- an enforceable community benefits agreement between the developer and the State Center Neighborhood Alliance, Inc., to provide for a concerted and coordinated effort by the developer and the community throughout the entire planning, development, and construction phases of the project (*the bill retains this requirement, but specifies that the agreement be between the developer and the advisory group instead of the Alliance*);

- a comprehensive local hiring plan for the project that includes goals for short-term construction jobs, long-term employment opportunities, and job training; and
- an economic improvement plan for the project that includes goals for the use of minority- and women-owned and locally owned businesses.

Any new or modified contract or plan for State Center must include, to the extent possible, (1) State agencies as the major anchor tenant; (2) space for retail, housing, offices, restaurants, and other private businesses; (3) a high-quality and full-service grocery store; (4) parking facilities designed to reduce parking impacts on the surrounding communities; (5) elements designed to increase the connection of State Center to the surrounding communities; and (6) green space.

The State or its reporting agency must include the State Center Neighborhood Alliance, Inc., and any other interested community association in the selection for a new development contract and the development of any plans for State Center or the modification of existing plans.

A developer who is a party to a new contract or plan for the development of State Center must use best practical efforts to begin construction within 18 months after execution of the new contract and any associated plans.

Additional Information

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

Designated Cross File: HB 1619 (Delegate Wells) - Economic Matters and Appropriations.

Information Source(s): Department of Budget and Management; Department of General Services; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2026
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