

HOUSE BILL 698

L1, Q8

5lr2975
CF SB 814

By: **Delegates Allen, Arentz, Bhandari, Boyce, Ebersole, Forbes, Guyton, D. Jones, R. Lewis, Lopez, Nawrocki, Stein, Szeliga, ~~and~~ White Holland, Ruth, and Stewart**

Introduced and read first time: January 24, 2025
Assigned to: Environment and Transportation

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

2 **Local Government – Development Impact Fees, Surcharges, and Excise Taxes –**
3 **Reporting**

4 FOR the purpose of requiring county governments to make a certain report to the Governor
5 and General Assembly on the amount and use of county development impact fees,
6 surcharges, and excise taxes; and generally relating to county reporting of
7 development impact fees, surcharges, and excise taxes.

8 BY adding to

9 Article – Local Government
10 Section 20–125
11 Annotated Code of Maryland
12 (2013 Volume and 2024 Supplement)

13 Preamble

14 WHEREAS, Local governments in Maryland must have authority from the
15 Maryland General Assembly in order to impose a development impact fee or an excise tax;
16 and

17 WHEREAS, Code home rule counties are authorized collectively to impose specified
18 development impact fees and excise taxes, and many counties have specific authorizations
19 from the Maryland General Assembly; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, Title 20, Subtitle 7 of the Local Government Article provides for the
2 specific uses of revenues received from development impact fees; and

3 WHEREAS, County Commissioners of code counties may impose development
4 impact fees by public local law to finance any of the capital costs of additional or expanded
5 public works improvements, and facilities required to accommodate new construction or
6 development; and

7 WHEREAS, The Supreme Court of the United States, in Sheetz v. County of El
8 Dorado, 601 U.S. ____ (2024), held that local government permit conditions (1) must have
9 an “essential nexus” to the government’s land use interests, and “rough proportionality” to
10 the development’s impact on the land use interest; and (2) may not require a landowner to
11 give up or pay more than is necessary to mitigate harms caused from new development;
12 now, therefore,

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Local Government**

16 **20–125.**

17 **(A) THIS SECTION APPLIES ONLY TO A COUNTY THAT:**

18 **(1) IS A CHARTER COUNTY THAT IMPOSES, BY LAW, DEVELOPMENT**
19 **IMPACT FEES, SURCHARGES, OR EXCISE TAXES;**

20 **(2) IS A CODE COUNTY WITH PUBLIC LOCAL LAWS THAT REQUIRE THE**
21 **PAYMENT OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES; OR**

22 **(3) IS A COMMISSION COUNTY THAT:**

23 **(I) HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT IMPACT**
24 **FEES, SURCHARGES, OR EXCISE TAXES; AND**

25 **(II) HAS ENACTED, BY LOCAL LAW, DEVELOPMENT IMPACT**
26 **FEES, SURCHARGES, OR EXCISE TAXES.**

27 **(B) ON OR BEFORE JULY 1 EACH YEAR, EACH COUNTY SHALL REPORT TO**
28 **THE GOVERNOR AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1257 OF**
29 **THE STATE GOVERNMENT ARTICLE, THE FOLLOWING INFORMATION RELATING TO**
30 **THE COLLECTION AND EXPENDITURE OF DEVELOPMENT IMPACT FEES,**
31 **SURCHARGES, OR EXCISE TAXES FOR THE PRIOR CALENDAR YEAR:**

1 (1) THE TOTAL AMOUNT OF DEVELOPMENT IMPACT FEES,
2 SURCHARGES, OR EXCISE TAXES PAID TO THE COUNTY BY NEW CONSTRUCTION OR
3 DEVELOPMENT PROJECTS;

4 ~~(2) THE PORTION OF THE DEVELOPMENT IMPACT FEES,~~
5 ~~SURCHARGES, OR EXCISE TAXES PAID TO THE COUNTY BY LEGISLATIVE,~~
6 ~~COUNCILMANIC, OR COMMISSIONER DISTRICT IN WHICH THE CONSTRUCTION OR~~
7 ~~DEVELOPMENT PROJECT THAT IS SUBJECT TO THE FEE, SURCHARGE, OR TAX IS~~
8 ~~LOCATED; AND EACH DEVELOPMENT IMPACT FEE, SURCHARGE, OR EXCISE TAX~~
9 ~~IMPOSED BY THE COUNTY;~~

10 (3) THE FEE AMOUNTS, SURCHARGE RATES, TAX RATES, OR
11 FORMULAS THAT DETERMINE THE DEVELOPMENT IMPACT FEE, SURCHARGE, OR
12 EXCISE TAX IMPOSED BY THE COUNTY ON A NEW CONSTRUCTION OR DEVELOPMENT
13 PROJECT;

14 (4) THE TOTAL AMOUNT COLLECTED BY THE COUNTY FOR EACH
15 DEVELOPMENT IMPACT FEE, SURCHARGE, OR EXCISE TAX;

16 ~~(3) (5) EXCEPT AS PROVIDED BY SUBSECTION (C) OF THIS SECTION,~~
17 ~~THE PORTION OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES~~
18 ~~USED BY THE COUNTY TO FUND CAPITAL IMPROVEMENT PROJECTS IN THE~~
19 ~~LEGISLATIVE, COUNCILMANIC, OR COMMISSIONER DISTRICT THAT ARE RELATED TO~~
20 ~~TRANSPORTATION IMPROVEMENTS OR MAINTENANCE, SCHOOL CONSTRUCTION OR~~
21 ~~MAINTENANCE, OR ANY OTHER CAPITAL IMPROVEMENT PROJECT THAT RECEIVED~~
22 ~~FUNDING FROM DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES; AND~~

23 (6) THE LOCAL LAWS OR ORDINANCES OF THE COUNTY THAT PROVIDE
24 FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE
25 TAXES.

26 ~~(C) IF THE FUNDING UNDER SUBSECTION (B)(3) OF THIS SECTION IS~~
27 ~~COLLECTED UNDER SUBTITLE 8 OF THIS TITLE, THE REPORT MAY EXCLUDE THE~~
28 ~~INFORMATION OTHERWISE REQUIRED UNDER SUBSECTION (B)(3) OF THIS SECTION.~~

29 ~~(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A EACH~~
30 ~~COUNTY SHALL MAKE THE REPORT PUBLICLY AVAILABLE ON THE COUNTY'S~~
31 ~~WEBSITE.~~

32 ~~(2) A COUNTY THAT DOES NOT MAINTAIN A WEBSITE SHALL MAKE~~
33 ~~THE REPORT PUBLICLY AVAILABLE BY OTHER REASONABLE MEANS.~~

34 ~~(3) A COUNTY MAY SUBMIT THE REPORT AS PART OF ANOTHER~~
35 ~~REPORT REQUIRED UNDER THIS ARTICLE.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.