

# HOUSE BILL 656

M3  
HB 1108/16 – ENV

7lr1522  
CF SB 472

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By: **Delegates Barve, Carr, Fraser–Hidalgo, Frush, Gilchrist, Krimm, Lafferty, McCray, McIntosh, Platt, Robinson, Stein, and Valentino–Smith**

Introduced and read first time: February 1, 2017

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Environment – ~~Municipal~~ Stormwater Remediation Fees and Stormwater**  
3 **Charges – Property Subject to Fees and Charges**

4 FOR the purpose of providing a certain exception to an exemption from certain taxes, user  
5 charges, and utility fees relating to stormwater for property owned by a county;  
6 exempting a public college or university or a local school system from being charged  
7 a stormwater remediation fee by a county or municipality, subject to a certain  
8 exception; repealing certain provisions of law authorizing a county or municipality  
9 to impose stormwater remediation fees and stormwater charges on property owned  
10 by the State or a unit of State government; ~~providing~~ establishing that property  
11 owned by the State or a unit of State government, a county, a public college or  
12 university, or a local school system is subject to certain stormwater remediation fees  
13 and stormwater charges imposed by the governing body of the municipality within  
14 which the property is located under certain circumstances; making a stylistic change;  
15 repealing obsolete language; and generally relating to ~~municipal~~ stormwater  
16 remediation fees and stormwater charges.

17 BY repealing and reenacting, with amendments,  
18 Article – Local Government  
19 Section 21–626  
20 Annotated Code of Maryland  
21 (2013 Volume and 2016 Supplement)

22 BY repealing and reenacting, with amendments,

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### 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 Article – Environment  
 2 Section 4–202.1(e)(2) and 4–204(a) and (d)  
 3 Annotated Code of Maryland  
 4 (2013 Replacement Volume and 2016 Supplement)

5 BY repealing and reenacting, without amendments,  
 6 Article – Environment  
 7 Section 4–204(e)(1)  
 8 Annotated Code of Maryland  
 9 (2013 Replacement Volume and 2016 Supplement)

10 BY repealing  
 11 Article – Environment  
 12 Section 4–204(e)(3)  
 13 Annotated Code of Maryland  
 14 (2013 Replacement Volume and 2016 Supplement)

15 BY adding to  
 16 Article – Environment  
 17 Section 4–204(e)(3)  
 18 Annotated Code of Maryland  
 19 (2013 Replacement Volume and 2016 Supplement)

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

22 **Article – Local Government**

23 21–626.

24 (a) [Property] **EXCEPT AS PROVIDED UNDER ~~§ 4–204~~ §§ 4–202.1 AND 4–204**  
 25 **OF THE ENVIRONMENT ARTICLE, PROPERTY** owned by the State or a unit of State  
 26 government, a county, a municipality, or a regularly organized volunteer fire department  
 27 that is used for public purposes is exempt from the taxes, user charges, and utility fees  
 28 imposed under this part.

29 (b) Property that is not in a stormwater management district or is not otherwise  
 30 provided direct or indirect stormwater management services in a stormwater management  
 31 district may not have a tax imposed by the county until the county acquires, extends, or  
 32 begins to provide stormwater management services, facilities, or programs to the property.

33 **Article – Environment**

34 4–202.1.

35 (e) (2) (i) Except as provided in subparagraphs (ii) and (iii) of this  
 36 paragraph, property owned by the State, a unit of State government, a county, a

1 municipality, A PUBLIC COLLEGE OR UNIVERSITY, A LOCAL SCHOOL SYSTEM, a  
2 veterans' organization that is exempt from taxation under § 501(c)(4) or (19) of the Internal  
3 Revenue Code, or a regularly organized volunteer fire department that is used for public  
4 purposes may not be charged a stormwater remediation fee under this section.

5 [(ii) 1. Except as provided in subsubparagraph 2 of this  
6 subparagraph, property owned by the State or a unit of State government may be charged  
7 a stormwater remediation fee by a county under this section if:

8 A. The State or a unit of State government and a county  
9 agree to the collection of an annual stormwater remediation fee from the State or a unit of  
10 State government that is based on the share of stormwater management services related  
11 to property of the State or a unit of State government located within the county;

12 B. The county agrees to appropriate into its own local  
13 watershed protection and restoration fund, on an annual basis, an amount of money that  
14 is based on the share of stormwater management services related to county property on an  
15 annual basis; and

16 C. The county demonstrates to the satisfaction of the State or  
17 a unit of State government that the fees collected under item A of this subparagraph and  
18 the money appropriated under item B of this subparagraph were deposited into the county's  
19 local watershed protection and restoration fund.

20 2. A county or municipality may not charge a stormwater  
21 remediation fee to property specifically covered by a current national pollutant discharge  
22 elimination system Phase I municipal separate storm sewer system permit or industrial  
23 stormwater permit held by the State or a unit of State government.]

24 **(II) PROPERTY OWNED BY THE STATE OR A UNIT OF STATE**  
25 **GOVERNMENT, A COUNTY, A MUNICIPALITY, A PUBLIC COLLEGE OR UNIVERSITY, OR**  
26 **A LOCAL SCHOOL SYSTEM IS SUBJECT TO A STORMWATER REMEDIATION FEE**  
27 **ADOPTED UNDER THIS SECTION BY THE COUNTY OR MUNICIPALITY WITHIN WHICH**  
28 **THE PROPERTY IS LOCATED IF:**

29 **1. THE PROPERTY IS SUBJECT TO A NATIONAL**  
30 **POLLUTANT DISCHARGE ELIMINATION SYSTEM MUNICIPAL SEPARATE STORM**  
31 **SEWER SYSTEM PERMIT ISSUED TO THE COUNTY OR MUNICIPALITY IN WHICH THE**  
32 **PROPERTY IS LOCATED;**

33 **2. TO THE SAME EXTENT AS OTHER PROPERTY LOCATED**  
34 **IN THE COUNTY OR MUNICIPALITY, THE PROPERTY IS ELIGIBLE FOR ANY CREDIT**  
35 **THE COUNTY OR MUNICIPALITY PROVIDES AGAINST THE STORMWATER**  
36 **REMEDATION FEES TO ACCOUNT FOR ON-SITE AND OFF-SITE SYSTEMS, FACILITIES,**  
37 **SERVICES, OR ACTIVITIES OWNED OR PROVIDED BY THE PROPERTY OWNER THAT**

1 REDUCE THE QUANTITY AND IMPROVE THE QUALITY OF STORMWATER DISCHARGED  
2 FROM THE PROPERTY FOR WHICH THE STORMWATER REMEDIATION FEES ARE  
3 IMPOSED OR FROM OTHER PROPERTY WITHIN THE COUNTY OR MUNICIPALITY; AND

4 3. THE COUNTY OR MUNICIPALITY AND THE PROPERTY  
5 OWNER HAVE NOT ENTERED INTO A MUTUALLY AGREED UPON ALTERNATIVE  
6 ARRANGEMENT IN LIEU OF THE IMPOSITION OF THE STORMWATER REMEDIATION  
7 FEE.

8 (iii) A county or municipality may charge a stormwater remediation  
9 fee to property owned by a veterans' organization that is exempt from taxation under §  
10 501(c)(4) or (19) of the Internal Revenue Code or a regularly organized volunteer fire  
11 department if:

12 1. The county or municipality determines that the creation  
13 of a nondiscriminatory program for applying the stormwater remediation fee to federal  
14 properties under the federal facilities pollution control section of the Clean Water Act is  
15 necessary in order for the county or municipality to receive federal funding for stormwater  
16 remediation; and

17 2. A veterans' organization that is exempt from taxation  
18 under § 501(c)(4) or (19) of the Internal Revenue Code and a regularly organized volunteer  
19 fire department that is used for public purposes are provided with the opportunity to apply  
20 for an alternate compliance plan established under subsection (k)(3) of this section instead  
21 of paying a stormwater remediation fee charged by a county or municipality under item 1  
22 of this subparagraph.

23 4-204.

24 (a) **(1)** [After July 1, 1984, unless] **UNLESS** exempted, a person may not  
25 develop any land for residential, commercial, industrial, or institutional use without  
26 submitting a stormwater management plan to the county or municipality that has  
27 jurisdiction, and obtaining approval of the plan from the county or municipality.

28 **(2)** A grading or building permit may not be issued for a property unless a  
29 stormwater management plan has been approved that is consistent with this subtitle.

30 (d) (1) Each governing body of a county or municipality may adopt a system of  
31 charges to fund the implementation of stormwater management programs, including the  
32 following:

33 (i) Reviewing stormwater management plans;

34 (ii) Inspection and enforcement activities;

35 (iii) Watershed planning;

1 (iv) Planning, design, land acquisition, and construction of  
2 stormwater management systems and structures;

3 (v) Retrofitting developed areas for pollution control;

4 (vi) Water quality monitoring and water quality programs;

5 (vii) Operation and maintenance of facilities; and

6 (viii) Program development of these activities.

7 (2) The charges shall take effect upon enactment by the local governing  
8 body.

9 (3) **PROPERTY OWNED BY THE STATE OR A UNIT OF STATE**  
10 **GOVERNMENT, A COUNTY, A MUNICIPALITY, A PUBLIC COLLEGE OR UNIVERSITY, OR**  
11 **A LOCAL SCHOOL SYSTEM IS SUBJECT TO CHARGES ADOPTED UNDER PARAGRAPH**  
12 **(1) OF THIS SUBSECTION BY THE LOCAL GOVERNING BODY OF A COUNTY OR**  
13 **MUNICIPALITY WITHIN WHICH THE PROPERTY IS LOCATED IF:**

14 (i) **THE COUNTY OR MUNICIPALITY HAS ESTABLISHED A**  
15 **DEDICATED STORMWATER MANAGEMENT FUND; AND**

16 (ii) ~~PROPERTY OWNED BY THE MUNICIPALITY IS SUBJECT TO~~  
17 ~~THE CHARGES~~ **THE PROPERTY IS SUBJECT TO A NATIONAL POLLUTANT DISCHARGE**  
18 **ELIMINATION SYSTEM MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT**  
19 **ISSUED TO THE COUNTY OR MUNICIPALITY IN WHICH THE PROPERTY IS LOCATED;**

20 (iii) **TO THE SAME EXTENT AS OTHER PROPERTY LOCATED IN**  
21 **THE COUNTY OR MUNICIPALITY, THE PROPERTY IS ELIGIBLE FOR ANY CREDIT THE**  
22 **COUNTY OR MUNICIPALITY PROVIDES AGAINST THE CHARGES TO ACCOUNT FOR**  
23 **ON-SITE AND OFF-SITE SYSTEMS, FACILITIES, SERVICES, OR ACTIVITIES OWNED OR**  
24 **PROVIDED BY THE PROPERTY OWNER THAT REDUCE THE QUANTITY AND IMPROVE**  
25 **THE QUALITY OF STORMWATER DISCHARGED FROM THE PROPERTY FOR WHICH THE**  
26 **CHARGES ARE IMPOSED OR FROM OTHER PROPERTY WITHIN THE COUNTY OR**  
27 **MUNICIPALITY; AND**

28 (iv) **THE COUNTY OR MUNICIPALITY AND THE PROPERTY**  
29 **OWNER HAVE NOT ENTERED INTO A MUTUALLY AGREED UPON ALTERNATIVE**  
30 **ARRANGEMENT IN LIEU OF THE IMPOSITION OF THE CHARGES.**

31 [(3)] (4) The charges may be collected in the same manner as county and  
32 municipal property taxes, have the same priority, and bear the same interest and penalties.

1            ~~[(4)]~~ **(5)**        The charges shall be assessed in a manner consistent with §  
2 4–202.1(e)(3) and (f) of this subtitle.

3            (e) (1) This subsection applies to a system of charges established by  
4 Montgomery County under subsection (d) of this section.

5            ~~[(3)~~    Property owned by the State or a unit of State government in the county  
6 may be charged under the system of charges adopted by the county under this section if:

7            (i) The State or a unit of State government and the county agree to  
8 the collection of the charge from the State or a unit of State government that is based on  
9 the share of stormwater management services related to property of the State or a unit of  
10 State government located within the county;

11            (ii) The county agrees to appropriate into its own local watershed  
12 protection and restoration fund, on an annual basis, an amount of money that is based on  
13 the share of stormwater management services related to county property on an annual  
14 basis; and

15            (iii) The county demonstrates to the satisfaction of the State or a unit  
16 of State government that the charge collected under item (i) of this paragraph and the  
17 money appropriated under item (ii) of this paragraph were deposited into the county's local  
18 watershed protection and restoration fund.]

19            **(3) PROPERTY OWNED BY THE STATE OR A UNIT OF STATE**  
20 **GOVERNMENT, A COUNTY, A MUNICIPALITY, A PUBLIC COLLEGE OR UNIVERSITY, OR**  
21 **A LOCAL SCHOOL SYSTEM IN THE COUNTY IS SUBJECT TO A STORMWATER CHARGE**  
22 **ADOPTED BY THE COUNTY UNDER THIS SECTION IF:**

23            **(I) THE COUNTY HAS ESTABLISHED A DEDICATED**  
24 **STORMWATER MANAGEMENT FUND;**

25            **(II) THE PROPERTY IS SUBJECT TO A NATIONAL POLLUTANT**  
26 **DISCHARGE ELIMINATION SYSTEM MUNICIPAL SEPARATE STORM SEWER SYSTEM**  
27 **PERMIT ISSUED TO THE COUNTY;**

28            **(III) TO THE SAME EXTENT AS OTHER PROPERTY LOCATED IN**  
29 **THE COUNTY, THE PROPERTY IS ELIGIBLE FOR ANY CREDIT THE COUNTY PROVIDES**  
30 **AGAINST THE CHARGES TO ACCOUNT FOR ON-SITE AND OFF-SITE SYSTEMS,**  
31 **FACILITIES, SERVICES, OR ACTIVITIES OWNED OR PROVIDED BY THE PROPERTY**  
32 **OWNER THAT REDUCE THE QUANTITY AND IMPROVE THE QUALITY OF STORMWATER**  
33 **DISCHARGED FROM THE PROPERTY FOR WHICH THE CHARGES ARE IMPOSED OR**  
34 **FROM OTHER PROPERTY WITHIN THE COUNTY; AND**

1                            **(IV) THE COUNTY AND THE PROPERTY OWNER HAVE NOT**  
2 **ENTERED INTO A MUTUALLY AGREED UPON ALTERNATIVE ARRANGEMENT IN LIEU**  
3 **OF THE IMPOSITION OF THE CHARGES.**

4            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5            October 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.