HB0894/193626/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 894
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after "zones" insert ", subject to certain conditions"; in the same line, after "Maryland" insert "Economic"; in line 10, after "projects" insert ", subject to a certain exception"; and strike beginning with "applying" in line 12 down through "retroactively;" in line 13.

On page 2, in line 4, after "5–701(d)" insert ", 5–707(e)(1),".

AMENDMENT NO. 2

On pages 11 and 12, strike in their entirety the lines beginning with line 8 on page 11 through line 30 on page 12, inclusive.

On page 13, after line 14, insert:

"SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Local Government

20–128.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEVELOPMENT EXCISE TAX" MEANS AN EXCISE TAX IMPOSED BY A COUNTY OR MUNICIPALITY ON THE CONSTRUCTION OR IMPROVEMENT OF A BUILDING.

(3) "DEVELOPMENT IMPACT FEE" MEANS A FEE IMPOSED BY A COUNTY OR MUNICIPALITY FOR THE PURPOSE OF FINANCING ANY OF THE CAPITAL COSTS OF ADDITIONAL OR EXPANDED PUBLIC WORKS, IMPROVEMENTS, AND FACILITIES REQUIRED TO ACCOMMODATE NEW CONSTRUCTION OR DEVELOPMENT.

(4) "RESIDENTIAL REAL ESTATE PROJECT" MEANS A MIXED–USE DEVELOPMENT THAT:

(I) INCLUDES RESIDENTIAL UNITS; AND

(II) IS LOCATED WITHIN A TRANSIT–ORIENTED DEVELOPMENT DESIGNATED UNDER § 7–101 OF THE TRANSPORTATION ARTICLE, WHERE THE DEVELOPMENT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY.

(B) THIS SECTION APPLIES ONLY TO:

(1) A COUNTY THAT:

(I) IS A CHARTER COUNTY THAT IMPOSES, BY LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES;

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

(III) IS A COMMISSION COUNTY THAT:

1. HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND

2. HAS ENACTED, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND

(2) A MUNICIPALITY THAT IMPOSES, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, ANY DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY NOT BE COLLECTED UNTIL AFTER:

(I) CONSTRUCTION OF THE RESIDENTIAL REAL ESTATE PROJECT IS COMPLETE; AND

(II) ALL REQUIREMENTS FOR A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT THAT HAS BEEN ISSUED FOR THE RESIDENTIAL REAL ESTATE PROJECT HAVE BEEN MET.

(2) A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY BE COLLECTED AS A PRECONDITION TO CONDUCTING A FINAL INSPECTION, BUT NOT MORE THAN 30 DAYS BEFORE THE DATE OF THE INSPECTION.

(3) THIS SUBSECTION DOES NOT APPLY TO THE COLLECTION OF A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE THAT WAS IMPOSED TO FINANCE A COUNTY DEBT THAT WAS INCURRED ON OR BEFORE JANUARY 1, 2026.

(D) NOTWITHSTANDING ANY OTHER LAW, A COUNTY OR MUNICIPALITY THAT IMPOSES A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY DENY, WITHHOLD, OR REVOKE A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT IF THE DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IS NOT PAID WITHIN A REASONABLE TIME PERIOD SET BY THE COUNTY OR MUNICIPALITY.".

On page 13, in line 15, strike "3." and substitute "4."; after line 17, insert:

"SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect October 1, 2026, contingent on the failure of Chapter ____ (S.B. 325/H.B. 548) of the Acts of the General Assembly of 2026, and if Chapter ____ (S.B. 325/H.B. 548) becomes effective, Section 3 of this Act, with no further action required by the General Assembly, shall be null and void.";

and in line 24, after "That" insert ", except as provided in Section 5 of this Act,".

AMENDMENT NO. 3

On page 3, after line 14, insert:

"5–707.

(e) (1) (i) Notwithstanding subsection (d) of this section, except for a business entity certified to receive a property tax credit under § 9–103 of the Tax –

Property Article for a tax year beginning before July 1, 2008, a business entity located in an enterprise zone may not receive the incentives and initiatives set forth in subsection (a)(1) and (2) of this section if the entity is located on land or within improvements owned by the federal government, the State, a county, or a municipal corporation unless the business entity has first utilized all applicable property tax exemptions under Title 7 of the Tax – Property Article, including entering into any available payment in lieu of tax agreement.

(ii) Subparagraph (i) of this paragraph does not apply to a business entity leasing land or improvements owned by the Maryland Economic Development Corporation **OR THE MARYLAND DEPARTMENT OF TRANSPORTATION**.";

in line 16, strike "AN" and substitute "**(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN**"; in line 17, after "ARTICLE" insert "**BEFORE OCTOBER 1, 2026,**"; in line 19, strike "SHALL" and substitute "**IS ELIGIBLE TO**"; in line 20, after "ZONE" insert "**UNDER THE PROVISIONS OF THIS SUBTITLE**"; and after line 22, insert:

"**(2) THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA BE DESIGNATED AS A TRANSIT–ORIENTED DEVELOPMENT MAY ELECT, BY ORDINANCE, RESOLUTION, OR SIMILAR ACTION, TO DESIGNATE THE AREA AS AN ENTERPRISE ZONE.**

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN AREA DESIGNATED AS A TRANSIT–ORIENTED DEVELOPMENT UNDER § 7–101 OF THE TRANSPORTATION ARTICLE ON OR AFTER OCTOBER 1, 2026, THAT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY SHALL

AUTOMATICALLY BE DESIGNATED AS AN ENTERPRISE ZONE NOTWITHSTANDING THE LIMIT ON THE NUMBER OF ENTERPRISE ZONES THAT THE SECRETARY MAY DESIGNATE UNDER § 5–704(B) OF THIS SUBTITLE.

(2) (I) AT THE TIME A TRANSIT–ORIENTED DEVELOPMENT AREA IS DESIGNATED, THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA BE DESIGNATED AS A TRANSIT–ORIENTED DEVELOPMENT MAY ELECT NOT TO DESIGNATE THE AREA AS AN ENTERPRISE ZONE.

(II) AN ELECTION MADE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DONE, IN WRITING, TO THE SUSTAINABLE GROWTH SUBCABINET ESTABLISHED UNDER § 9–1403 OF THE STATE GOVERNMENT ARTICLE.".

On page 13, strike in their entirety lines 18 through 23, inclusive; and in line 24, strike "5." and substitute "6.".

AMENDMENT NO. 4

On page 4, in line 21, strike "STATE–OWNED"; and in line 22, after "STATIONS" insert "THAT IS OWNED BY THE STATE OR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY".

On page 6 in line 1, and on page 10 in line 14, in each instance, strike "STATE–OWNED LAND" and substitute "LAND".

On page 9, in line 9, strike "STATE–OWNED"; and in the same line, after "LAND" insert "THAT IS OWNED BY THE STATE OR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY THAT IS".

AMENDMENT NO. 5

On page 7, after line 9, insert:

"**(2) "ADEQUATE PARKING STUDY" MEANS A DATA–SUPPORTED ANALYSIS PREPARED FOR A DEVELOPMENT BY A LOCAL JURISDICTION TO EVALUATE WHETHER ONE OR MORE PARKING REQUIREMENTS, PARKING RATIOS, OR PARKING MANAGEMENT STANDARDS POTENTIALLY IMPOSED ON A DEVELOPMENT ARE JUSTIFIED TO ADDRESS LOCAL PARKING ISSUES.**";

in lines 10 and 12, strike "**(2)**" and "**(3)**", respectively, and substitute "**(3)**" and "**(4)**", respectively.

On page 8, in line 18, strike "**A**" and substitute "**EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A**"; after line 22, insert:

"**(3) A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE AUTHORITY MAY IMPOSE A MINIMUM OFF–STREET PARKING REQUIREMENT ON A RESIDENTIAL OR MIXED–USE DEVELOPMENT THAT IS LOCATED WITHIN 0.25 MILES OF A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY IF:**

(I) THE LEGISLATIVE BODY OR OTHER LOCAL AGENCY HAS PERFORMED AN ADEQUATE PARKING STUDY WITHIN THE 3 YEARS PRIOR TO THE SUBMISSION OF A DEVELOPMENT APPLICATION; AND

(II) THE DEPARTMENT OF TRANSPORTATION CONCURRED IN THE FINDINGS OF THE PARKING STUDY.".