



House Bill 940 – Local Government – Authorized Uses of Revenues from Development Impact Fees

Position: Oppose

Maryland REALTORS® opposes HB 940, which would allow counties to utilize the revenue from impact fees charged to a particular development to finance additional capital works projects.

Impact fees assessed against new housing developments ensure that the public services stemming from the new development can accommodate the additional housing units. Counties require developers to pay their “fair share” of these costs so that they are not absorbed by the existing county residents. However, new developments should only be responsible for their “fair share” rather than shouldering the costs attributable to a larger population.

HB 940 would allow impact fees to be used for *any* capital costs for replacement, expansion, improvements or replacement of public facilities, without specifying that the expansion, improvement or replacement would serve new housing or that the need was caused by new development.

Allowing these impact fees to subsidize unrelated projects within the county unnecessarily raises the cost of new housing units, which are greatly needed throughout Maryland, and may have a chilling effect on creating more housing.

For these reasons, Maryland REALTORS® recommends an unfavorable report.

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