

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 940 (Delegate Arentz, *et al.*)
Environment and Transportation

Local Government - Authorized Uses of Revenues From Development Impact Fees

This bill authorizes a county to use the revenue from development impact fees to finance any capital costs related to replacement, maintenance, or expansion of public works, improvements, or public facilities. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: None. The bill does not alter the amount of development impact fees that may be imposed by a county but does expand the eligible uses for these fees to include specified capital costs.

Small Business Effect: None.

Analysis

Current Law: Local governments in Maryland must have authority from the General Assembly in order to impose a development impact fee or excise tax. Code home rule counties are authorized as a group to impose specified impact fees and excise taxes and a number of other counties have specific authorizations from the General Assembly.

Title 20, Subtitle 7 of the Local Government Article provides for the specific uses of revenues received from development impact fees. County commissioners of code counties may impose development impact fees by public local law to finance any of the capital costs

of additional or expanded public works, improvements, and facilities required to accommodate new construction or development.

Additional information on local development impact fees and excise taxes is provided in the *Local Government Overview Report*. A copy of the report is available on the Department of Legislative Services [website](#).

Additional Information

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

Designated Cross File: SB 1170 (Senator Hershey) - Rules.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2024
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