

HOUSE BILL 528

Q8, L2

1lr1104

By: **St. Mary's County Delegation**

Introduced and read first time: January 15, 2021

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **St. Mary's County – Repeal of Impact Fee – Authorization of Building Excise Tax**

3 FOR the purpose of repealing the authority of the County Commissioners of St. Mary's
4 County to impose a development impact fee to finance the cost of certain facilities
5 required to accommodate new construction or development; repealing the authority
6 of the county commissioners to enact a certain exemption from the development
7 impact fee; repealing the authority of the county commissioners to waive, defer, or
8 amortize the development impact fee for certain newly constructed living units;
9 repealing a requirement that the total amount of development impact fees waived,
10 deferred, or amortized be reflected in the county's annual capital budget; authorizing
11 the county commissioners to impose a building excise tax on any building
12 construction in the county; requiring the county commissioners to specify the types
13 of building construction that are subject to the tax; authorizing the county
14 commissioners to impose different tax rates on different types of building
15 construction; requiring revenues from the tax to be deposited in the county's general
16 fund and used for any lawful purpose; providing for a delayed effective date; and
17 generally relating to fees and taxes on development in St. Mary's County.

18 BY repealing

19 Article – Local Government

20 Section 20–706(b)

21 Annotated Code of Maryland

22 (2013 Volume and 2020 Supplement)

23 BY adding to

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 – Local Government
2 Section 20–807
3 Annotated Code of Maryland
4 (2013 Volume and 2020 Supplement)

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

7 **Article – Local Government**

8 20–706.

9 [(b) (1) Subject to paragraphs (2), (3), and (4) of this subsection, by ordinance
10 or resolution, the County Commissioners of St. Mary’s County may impose a development
11 impact fee to finance any of the costs for facilities described in subsection (c) of this section
12 required to accommodate new construction or development.

13 (2) By ordinance, the county commissioners may enact an exemption to the
14 development impact fee imposed under paragraph (1) of this subsection for the first three
15 lots in a minor subdivision that are:

16 (i) recorded after June 1, 2000, and created from a parcel of record
17 or a lot of record; and

18 (ii) transferred to a natural, direct lineal descendant or a legally
19 adopted child or grandchild.

20 (3) (i) Subject to subparagraphs (ii) and (iii) of this paragraph, for each
21 fiscal year, the county commissioners may:

22 1. waive the development impact fee imposed under
23 paragraph (1) of this subsection for up to 60 newly constructed living units, excluding
24 mobile homes; and

25 2. defer or provide for the amortization of the development
26 impact fee for up to 70 newly constructed living units, excluding mobile homes.

27 (ii) The county commissioners may waive, defer, or amortize the
28 development impact fee only for newly constructed living units that:

29 1. are considered affordable for individuals whose family
30 income in the previous fiscal year was less than 60% of the county median family income
31 as reported by the U.S. Department of Housing and Urban Development; and

32 2. do not exceed a specified square footage determined by the
33 county commissioners.

1 (iii) The total amount of development impact fees waived, deferred,
2 or amortized shall be reflected in the St. Mary’s County annual capital budget for the fiscal
3 year in which the waiver, deferral, or amortization is granted.

4 (4) The county commissioners may defer the building impact fee imposed
5 on a newly constructed living unit constructed in accordance with a building trades
6 program approved by the St. Mary’s County Board of Education until the earlier of:

7 (i) 1 year from the time the fee would otherwise have been payable;
8 or

9 (ii) the time the living unit is sold and conveyed.]

10 **20–807.**

11 (A) **BY ORDINANCE, THE COUNTY COMMISSIONERS OF ST. MARY’S COUNTY**
12 **MAY IMPOSE A BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION IN ST.**
13 **MARY’S COUNTY.**

14 (B) **THE COUNTY COMMISSIONERS OF ST. MARY’S COUNTY SHALL SPECIFY**
15 **IN THE ORDINANCE THE TYPES OF BUILDING CONSTRUCTION THAT ARE SUBJECT TO**
16 **THE TAX.**

17 (C) **THE COUNTY COMMISSIONERS OF ST. MARY’S COUNTY MAY IMPOSE**
18 **DIFFERENT TAX RATES ON DIFFERENT TYPES OF BUILDING CONSTRUCTION.**

19 (D) **THE REVENUES FROM THE TAX:**

20 (1) **SHALL BE DEPOSITED IN THE COUNTY’S GENERAL FUND; AND**

21 (2) **MAY BE USED FOR ANY LAWFUL PURPOSE IN THE COUNTY.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.