

# SENATE BILL 814

L1, Q8

5lr3190  
CF HB 698

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By: **Senators Watson, Rosapepe, and Muse**  
Introduced and read first time: January 28, 2025  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 28, 2025

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

1 AN ACT concerning

2 **Local Government – Development Impact Fees, Surcharges, and Excise Taxes –**  
3 **Reporting**

4 FOR the purpose of requiring county governments to make a certain report to the ~~Governor~~  
5 ~~and General Assembly~~ Department of Planning on the amount and amount, use, and  
6 location of the use of county development impact fees, surcharges, and excise taxes;  
7 requiring county governments to make certain reports to the Department of  
8 Planning identifying certain local laws; and generally relating to county reporting of  
9 development impact fees, surcharges, and excise taxes.

10 BY adding to  
11 Article – Local Government  
12 Section 20–125  
13 Annotated Code of Maryland  
14 (2013 Volume and 2024 Supplement)

15 Preamble

16 WHEREAS, Local governments in Maryland must have authority from the  
17 Maryland General Assembly in order to impose a development impact fee or an excise tax;  
18 and

19 WHEREAS, Code home rule counties are authorized collectively to impose specified  
20 development impact fees and excise taxes, and many counties have specific authorizations  
21 from the Maryland General Assembly; and

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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 WHEREAS, Title 20, Subtitle 7 of the Local Government Article provides for the  
2 specific uses of revenues received from development impact fees; and

3 WHEREAS, County Commissioners of code counties may impose development  
4 impact fees by public local law to finance any of the capital costs of additional or expanded  
5 public works improvements, and facilities required to accommodate new construction or  
6 development; and

7 WHEREAS, The Supreme Court of the United States, in Sheetz v. County of El  
8 Dorado, 601 U.S. \_\_\_\_ (2024), held that local government permit conditions (1) must have  
9 an “essential nexus” to the government’s land use interests, and “rough proportionality” to  
10 the development’s impact on the land use interest; and (2) may not require a landowner to  
11 give up or pay more than is necessary to mitigate harms caused from new development;  
12 now, therefore,

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

15 **Article – Local Government**

16 **20–125.**

17 **(A) THIS SECTION APPLIES ONLY TO A COUNTY THAT:**

18 **(1) IS A CHARTER COUNTY THAT IMPOSES, BY LAW, DEVELOPMENT**  
19 **FEES, SURCHARGES, OR EXCISE TAXES;**

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

22 **(3) IS A COMMISSION COUNTY THAT:**

23 **(I) HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT IMPACT**  
24 **FEES, SURCHARGES, OR EXCISE TAXES; AND**

25 **(II) HAS ENACTED, BY LOCAL LAW, DEVELOPMENT IMPACT**  
26 **FEES, SURCHARGES, OR EXCISE TAXES.**

27 **(B) ON OR BEFORE JULY 1 EACH YEAR, EACH COUNTY SHALL REPORT TO**  
28 **~~THE GOVERNOR AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF~~**  
29 **~~THE STATE GOVERNMENT ARTICLE, DEPARTMENT OF PLANNING~~ THE FOLLOWING**  
30 **INFORMATION RELATING TO THE COLLECTION AND EXPENDITURE OF**  
31 **DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES FOR THE PRIOR**  
32 **CALENDAR YEAR:**

1           (1) THE TOTAL AMOUNT OF DEVELOPMENT IMPACT FEES,  
2 SURCHARGES, OR EXCISE TAXES PAID BY NEW CONSTRUCTION OR DEVELOPMENT  
3 PROJECTS;

4           (2) THE PORTION OF THE DEVELOPMENT IMPACT FEES,  
5 SURCHARGES, OR EXCISE TAXES PAID TO THE COUNTY ~~BY LEGISLATIVE,~~  
6 ~~COUNCILMANIC, OR COMMISSIONER DISTRICT IN WHICH THE CONSTRUCTION OR~~  
7 ~~DEVELOPMENT PROJECT THAT IS SUBJECT TO THE FEE, SURCHARGE, OR TAX IS~~  
8 ~~LOCATED; AND~~

9           (3) THE ADDRESS AND LOCATION OF THE DEVELOPMENT WITHIN THE  
10 COUNTY WHERE THE IMPACT FEES, SURCHARGES, OR EXCISE TAXES WERE DERIVED;  
11 AND

12           ~~(3)~~ (4) EXCEPT AS PROVIDED BY SUBSECTION (C) OF THIS SECTION,  
13 THE PORTION OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES  
14 USED TO FUND CAPITAL IMPROVEMENT PROJECTS ~~IN THE LEGISLATIVE,~~  
15 ~~COUNCILMANIC, OR COMMISSIONER DISTRICT~~ THAT ARE RELATED TO  
16 TRANSPORTATION IMPROVEMENTS OR MAINTENANCE, SCHOOL CONSTRUCTION OR  
17 MAINTENANCE, OR ANY OTHER CAPITAL IMPROVEMENT PROJECT THAT RECEIVED  
18 FUNDING FROM DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES.

19           (C) IF THE FUNDING UNDER SUBSECTION ~~(B)(3)~~ (B)(4) OF THIS SECTION IS  
20 COLLECTED UNDER SUBTITLE 8 OF THIS TITLE, THE REPORT MAY EXCLUDE THE  
21 INFORMATION OTHERWISE REQUIRED UNDER SUBSECTION ~~(B)(3)~~ (B)(4) OF THIS  
22 SECTION.

23           (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY  
24 SHALL MAKE THE REPORT PUBLICLY AVAILABLE ON THE COUNTY'S WEBSITE.

25           (2) A COUNTY THAT DOES NOT MAINTAIN A WEBSITE SHALL MAKE  
26 THE REPORT PUBLICLY AVAILABLE BY OTHER REASONABLE MEANS.

27           (3) A COUNTY MAY SUBMIT THE REPORT AS PART OF ANOTHER  
28 REPORT REQUIRED UNDER THIS ARTICLE.

29           (E) (1) ON OR BEFORE JULY 1, 2026, EACH COUNTY SHALL SUBMIT A  
30 REPORT TO THE DEPARTMENT OF PLANNING THAT IDENTIFIES ANY LOCAL LAW  
31 THAT AUTHORIZES THE COLLECTION AND EXPENDITURE OF DEVELOPMENT IMPACT  
32 FEES, SURCHARGES, OR EXCISE TAXES.

33           (2) AFTER JULY 1, 2026, EACH COUNTY SHALL SUBMIT A REPORT TO  
34 THE DEPARTMENT OF PLANNING EACH TIME THE COUNTY ENACTS OR AMENDS A

1 LOCAL LAW THAT AUTHORIZES THE COLLECTION AND EXPENDITURE OF  
2 DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2025.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.