

## Chapter 186

**(House Bill 698)**

AN ACT concerning

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

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

BY adding to

Article – Local Government  
 Section 20–125  
 Annotated Code of Maryland  
 (2013 Volume and 2024 Supplement)

## Preamble

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

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

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

WHEREAS, 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; and

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

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

**Article – Local Government**

**20-125.**

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

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

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

(3) IS A COMMISSION COUNTY THAT:

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

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

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

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

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

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

~~(3) THE FEE AMOUNTS, SURCHARGE RATES, TAX RATES, OR FORMULAS THAT DETERMINE THE DEVELOPMENT IMPACT FEE, SURCHARGE, OR EXCISE TAX IMPOSED BY THE COUNTY ON A NEW CONSTRUCTION OR DEVELOPMENT PROJECT;~~

~~(4) THE TOTAL AMOUNT COLLECTED BY THE COUNTY FOR EACH DEVELOPMENT IMPACT FEE, SURCHARGE, OR EXCISE TAX;~~

~~(3) (5) (4) EXCEPT AS PROVIDED BY SUBSECTION (C) OF THIS SECTION,~~ EXCEPT AS PROVIDED BY SUBSECTION (C) OF THIS SECTION, THE PORTION OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES USED ~~BY THE COUNTY~~ TO FUND CAPITAL IMPROVEMENT PROJECTS THAT ARE IN THE LEGISLATIVE, COUNCILMANIC, OR COMMISSIONER DISTRICT THAT ARE RELATED TO TRANSPORTATION IMPROVEMENTS OR MAINTENANCE, SCHOOL CONSTRUCTION OR MAINTENANCE, OR ANY OTHER CAPITAL IMPROVEMENT PROJECT THAT RECEIVED FUNDING FROM DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES; AND.

~~(6) THE LOCAL LAWS OR ORDINANCES OF THE COUNTY THAT PROVIDE FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES.~~

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

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

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

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

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

**(2) AFTER JULY 1, 2026, EACH COUNTY SHALL SUBMIT A REPORT TO THE DEPARTMENT OF PLANNING EACH TIME THE COUNTY ENACTS OR AMENDS A LOCAL LAW THAT AUTHORIZES THE COLLECTION AND EXPENDITURE OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR EXCISE TAXES. IF THE FUNDING UNDER SUBSECTION (B)(3) OF THIS SECTION IS COLLECTED UNDER SUBTITLE 8 OF THIS TITLE, THE REPORT MAY EXCLUDE THE INFORMATION OTHERWISE REQUIRED UNDER SUBSECTION (B)(3) OF THIS SECTION.**

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

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

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

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

Approved by the Governor, April 22, 2025.