

SB0389/153227/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 389  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**and Zucker**” and substitute “**Gile, and Zucker**”; in line 5, after “zones” insert “, subject to certain conditions”; in the same line, after “Maryland” insert “Economic”; strike beginning with “adding” in line 10 down through “retroactively;” in line 13; and in line 27, after “5-701(d)” insert “, 5-707(e)(1).”

On page 2, strike in their entirety lines 23 through 27, inclusive.

AMENDMENT NO. 2

On pages 11 and 12, strike in their entirety the lines beginning with line 6 on page 11 through line 27 on page 12, inclusive.

On page 13, after line 11, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Local Government

20-128.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEVELOPMENT EXCISE TAX” MEANS AN EXCISE TAX IMPOSED BY A COUNTY OR MUNICIPALITY ON THE CONSTRUCTION OR IMPROVEMENT OF A BUILDING.

**(3) “DEVELOPMENT IMPACT FEE” MEANS A FEE IMPOSED BY A COUNTY OR MUNICIPALITY FOR THE PURPOSE OF FINANCING ANY OF THE CAPITAL COSTS OF ADDITIONAL OR EXPANDED PUBLIC WORKS, IMPROVEMENTS, AND FACILITIES REQUIRED TO ACCOMMODATE NEW CONSTRUCTION OR DEVELOPMENT.**

**(4) “RESIDENTIAL REAL ESTATE PROJECT” MEANS A MIXED-USE DEVELOPMENT THAT:**

**(I) INCLUDES RESIDENTIAL UNITS; AND**

**(II) IS LOCATED WITHIN A TRANSIT-ORIENTED DEVELOPMENT DESIGNATED UNDER § 7-101 OF THE TRANSPORTATION ARTICLE, WHERE THE DEVELOPMENT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY.**

**(B) (1) THIS SECTION APPLIES ONLY TO:**

**(I) A COUNTY THAT:**

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

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

**3. IS A COMMISSION COUNTY THAT:**

**A. HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND**

**B. HAS ENACTED, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND**

**(II) A MUNICIPALITY THAT IMPOSES, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES.**

**(2) THIS SECTION DOES NOT APPLY TO A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF A CONNECTION TO A PUBLIC WATER OR SEWER SYSTEM.**

**(C) (1) ANY DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY NOT BE COLLECTED UNTIL AFTER:**

**(I) CONSTRUCTION OF THE RESIDENTIAL REAL ESTATE PROJECT IS COMPLETE; AND**

**(II) ALL REQUIREMENTS FOR A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT THAT HAS BEEN ISSUED FOR THE RESIDENTIAL REAL ESTATE PROJECT HAVE BEEN MET.**

**(2) ANY EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT MAY BE COLLECTED AS A PRECONDITION**

TO CONDUCTING A FINAL INSPECTION OF THE PROJECT, BUT NOT MORE THAN 30 DAYS PRIOR TO THE DATE OF INSPECTION.

(D) NOTWITHSTANDING ANY OTHER LAW, A COUNTY OR MUNICIPALITY THAT IMPOSES A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY DENY, WITHHOLD, OR REVOKE A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT IF THE DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IS NOT PAID WITHIN A REASONABLE TIME PERIOD SET BY THE COUNTY OR MUNICIPALITY.”;

and in line 12, strike “3.” and substitute “4.”; after line 20, insert:

“SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect October 1, 2027, contingent on the failure of Chapter \_\_\_\_\_ (S.B. 325) or Chapter \_\_\_\_\_ (H.B. 548) of the Acts of the General Assembly of 2026, and if Chapter \_\_\_\_\_ (S.B. 325) or Chapter \_\_\_\_\_ (H.B. 548) takes effect, Section 3 of this Act, with no further action required by the General Assembly, shall be null and void.”;

and in line 21, after “That” insert “, except as provided in Section 5 of this Act.”.

AMENDMENT NO. 3

On page 3, after line 11, insert:

“5-707.

(e) (1) (i) Notwithstanding subsection (d) of this section, except for a business entity certified to receive a property tax credit under § 9-103 of the Tax – Property Article for a tax year beginning before July 1, 2008, a business entity located in an enterprise zone may not receive the incentives and initiatives set forth in subsection (a)(1) and (2) of this section if the entity is located on land or within

improvements owned by the federal government, the State, a county, or a municipal corporation unless the business entity has first utilized all applicable property tax exemptions under Title 7 of the Tax – Property Article, including entering into any available payment in lieu of tax agreement.

(ii) Subparagraph (i) of this paragraph does not apply to a business entity leasing land or improvements owned by the Maryland Economic Development Corporation OR THE MARYLAND DEPARTMENT OF TRANSPORTATION.”;

in line 13, strike “AN” and substitute “(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN”; in line 14, after “ARTICLE” insert “BEFORE OCTOBER 1, 2026,”; in line 16, strike “SHALL” and substitute “MAY”; in line 17, after “ZONE” insert “UNDER THE PROVISIONS OF THIS SUBTITLE”; and after line 19, insert:

“(2) THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA BE DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT SHALL APPROVE THE DESIGNATION OF THE AREA AS AN ENTERPRISE ZONE.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN AREA DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT UNDER § 7-101 OF THE TRANSPORTATION ARTICLE ON OR AFTER OCTOBER 1, 2026, THAT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY SHALL AUTOMATICALLY BE DESIGNATED AS AN ENTERPRISE ZONE NOTWITHSTANDING THE LIMIT ON THE NUMBER OF ENTERPRISE ZONES THAT THE SECRETARY MAY DESIGNATE UNDER § 5-704(B) OF THIS SUBTITLE.

**(2) (I) AT THE TIME A TRANSIT-ORIENTED DEVELOPMENT AREA IS DESIGNATED, THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA BE DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT MAY ELECT NOT TO DESIGNATE THE AREA AS AN ENTERPRISE ZONE.**

**(II) AN ELECTION MADE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DONE, IN WRITING, TO THE SUSTAINABLE GROWTH SUBCABINET ESTABLISHED UNDER § 9-1403 OF THE STATE GOVERNMENT ARTICLE.**

On pages 12 and 13, strike in their entirety the lines beginning with line 28 on page 12 through line 11 on page 13, inclusive.

On page 13, strike in their entirety lines 15 through 20, inclusive; and in line 21, strike “5.” and substitute “6.”.

**AMENDMENT NO. 4**

On page 4, in line 18, strike “STATE-OWNED”; and in line 19, after “STATIONS” insert “THAT IS OWNED BY THE STATE, BALTIMORE CITY, OR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY”.

On page 5 in line 23, and on page 10 in line 12, in each instance, strike “STATE-OWNED LAND” and substitute “LAND”.

On page 9, in line 7, strike “STATE-OWNED”; and in the same line, after “LAND” insert “THAT IS OWNED BY THE STATE, BALTIMORE CITY, OR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY THAT IS”.

**AMENDMENT NO. 5**

On page 7, after line 6, insert:

“(2) “ADEQUATE PARKING STUDY” MEANS A DATA-SUPPORTED ANALYSIS PREPARED FOR A DEVELOPMENT BY A LOCAL JURISDICTION TO EVALUATE WHETHER ONE OR MORE PARKING REQUIREMENTS, PARKING RATIOS, OR PARKING MANAGEMENT STANDARDS POTENTIALLY IMPOSED ON A DEVELOPMENT ARE JUSTIFIED TO ADDRESS LOCAL PARKING ISSUES.”;

in lines 7 and 9, strike “(2)” and “(3)”, respectively, and substitute “(3)” and “(4)”, respectively.

On page 8, in line 15, strike “A” and substitute “EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A”; after line 19, insert:

“(3) (I) A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE AUTHORITY MAY IMPOSE A MINIMUM OFF-STREET PARKING REQUIREMENT ON A RESIDENTIAL OR MIXED-USE DEVELOPMENT THAT IS LOCATED WITHIN 0.25 MILES OF A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY IF:

1. THE LEGISLATIVE BODY OR OTHER LOCAL AGENCY HAS PERFORMED AN ADEQUATE PARKING STUDY WITHIN THE 3 YEARS PRIOR TO THE SUBMISSION OF A DEVELOPMENT APPLICATION; AND

2. THE DEPARTMENT OF TRANSPORTATION CONCURRED IN THE FINDINGS OF THE ADEQUATE PARKING STUDY.

(Over)

**(ii) 1. THE DEPARTMENT OF TRANSPORTATION SHALL PROVIDE ITS DECISION ON THE FINDINGS OF THE ADEQUATE PARKING STUDY WITHIN 45 DAYS AFTER THE FINDINGS ARE SUBMITTED TO THE DEPARTMENT.**

**2. FAILURE TO PROVIDE A DECISION WITHIN 45 DAYS SHALL BE DEEMED AS THE DEPARTMENT OF TRANSPORTATION CONCURRING WITH THE FINDINGS OF THE ADEQUATE PARKING STUDY.”.**