

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 861 (Senators Zucker and Feldman)
 Education, Energy, and the Environment

Environment - Stormwater Management - Agricultural Land

This bill requires the Maryland Department of the Environment (MDE) to adopt regulations that establish provisions and a model ordinance that require local stormwater management programs to enforce stormwater management regulations on agricultural land with the advice and consent of the local soil conservation district. The bill also requires MDE, in the Maryland Stormwater Design Manual incorporated by reference in regulations, to (1) define agriculture and accessory uses on agricultural lands, including on-farm processing and office space, as distinct from commercial development, and (2) allow for flexibility in enforcement of stormwater management regulations on agricultural land.

Fiscal Summary

State Effect: General fund expenditures increase by \$80,600 in FY 2027; future years reflect annualization, inflation, ongoing costs, and the termination of contractual staff in FY 2030. State revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	80,600	92,700	96,700	25,200	0
Net Effect	(\$80,600)	(\$92,700)	(\$96,700)	(\$25,200)	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: While the bill may have operational impacts on local stormwater approval authorities and local soil conservation districts, it is not expected to have a material fiscal impact on local governments, as discussed below.

Small Business Effect: Meaningful.

Analysis

Current Law:

Stormwater Management Act and Implementing Regulations

The intent of the Stormwater Management Act is to reduce, as much as possible, the adverse effects of stormwater runoff. To achieve that goal, pursuant to § 4-203 of the Environment Article, MDE is in charge of implementing the Stormwater Management Act and is required to adopt rules and regulations that establish criteria and procedures for stormwater management in Maryland.

The rules and regulations must, among other things, (1) specify the minimum content of the local ordinances or the rules and regulations of the affected county governing body to be adopted, which may be done by inclusion of a model ordinance or model rules and regulations, and (2) establish regulations and a model ordinance that require:

- the implementation of environmental site design to the maximum extent practicable;
- the review and modification (if necessary) of planning and zoning or public works ordinances to remove impediments to environmental site design and implementation; and
- a developer to demonstrate that environmental site design has been implemented to the maximum extent practicable and standard best management practices have been used only where absolutely necessary.

MDE must review and update the regulations at least once every five years. In reviewing and updating the regulations, MDE must (1) at a minimum, revise water quality and water quantity control standards using the most recent precipitation data available and (2) as necessary, update and revise the regulations to meet the statutory requirements.

Local Stormwater Management Programs

Each county and municipality must have an ordinance implementing a stormwater management program that is consistent with flood management plans and that meets certain minimum requirements. Each county or municipality may provide by ordinance for the review and approval of stormwater management plans by the local soil conservation district. Each governing body of a county or municipality may also adopt a system of charges to fund the implementation of their stormwater management programs, as specified.

MDE must provide technical assistance, training, research, and coordination in stormwater management technology to local governments. MDE is also required to inspect and review local stormwater management programs at least once every three years.

Stormwater Management Plans

Generally, unless exempted, a person may not develop any land for residential, commercial, industrial, or institutional use unless the person has submitted a stormwater management plan and has received approval of the plan from the applicable local approval authority. State and federal agencies are required to submit a stormwater management plan and obtain State approval from MDE prior to undertaking specified construction activity.

Current regulations exempt agricultural land management practices from regulations that implement State and local stormwater management programs.

State Expenditures: General fund expenditures for MDE increase by \$80,585 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring one contractual regulatory and compliance engineer to (1) establish the required provisions and model ordinance (and define certain terms in order to do so); (2) update the Maryland Stormwater Design Manual; and (3) update regulations. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$71,444
Operating Expenses	<u>9,141</u>
Total FY 2027 State Expenditures	\$80,585

Future year expenditures reflect (1) a full salary with annual increases and employee turnover; (2) annual increases in ongoing operating expenses; and (3) termination of the contractual employee after the first quarter of fiscal 2030.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Local Fiscal Effect: Local approval authorities will need to update their local stormwater management ordinances once MDE develops the new model ordinance and updated regulations are adopted. However, since MDE will have already developed the model ordinance, and because, according to the Maryland Department of Agriculture (MDA), local approval authorities and soil conservation districts already work together in many cases, the bill’s requirements are not anticipated to materially affect local finances.

Small Business Effect: The bill's changes are anticipated to benefit agricultural operations in the State (many of which are small businesses) by allowing farms to meet stormwater management requirements through agricultural-focused best management practices as opposed to commercial best management practices. According to the Prince George's Soil Conservation District, agriculture-focused best management practices tend to be more cost-effective than the urban practices required under the current Maryland Stormwater Design Manual.

MDA also anticipates that the bill has a positive impact on small agricultural businesses by standardizing consistent collaboration between local approval authorities and soil conservation districts statewide.

Additional Information

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

Designated Cross File: HB 1071 (Delegate Foley, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of the Environment; Maryland Department of Agriculture; Prince George's County; Maryland Association of County Health Officers; City of Annapolis; Department of Legislative Services

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