

Chapter 589

(House Bill 528)

AN ACT concerning

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

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

BY repealing

Article – Local Government
 Section 20–706(b)
 Annotated Code of Maryland
 (2013 Volume and 2020 Supplement)

BY adding to

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

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

Article – Local Government

20–706.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20-807.

(A) BY ORDINANCE, THE COUNTY COMMISSIONERS OF ST. MARY'S COUNTY MAY IMPOSE A BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION IN ST. MARY'S COUNTY.

(B) THE COUNTY COMMISSIONERS OF ST. MARY'S COUNTY SHALL SPECIFY IN THE ORDINANCE THE TYPES OF BUILDING CONSTRUCTION THAT ARE SUBJECT TO THE TAX.

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

(D) THE REVENUES FROM THE TAX:

(1) SHALL BE DEPOSITED IN THE COUNTY'S GENERAL FUND; AND

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.