



MARYLAND  
*Association of*  
COUNTIES

*Legislative Update*  
*2015 General Assembly Session*

County Engineers Association of Maryland  
2015 Spring Conference  
Thursday, May 14, 2015



# Major Session Highlights

- FY 2016 Budget Was Front and Center – Closing Deficit in one-year verses two
- Providing Tax Relief....or NOT
- Repealing the Stormwater Management Fee



# MACo Initiatives Successful

- Legislation expanded the uses of the Substance Abuse Treatment Outcomes Partnership Fund to enable counties to better target substance abuse treatment and related prevention and outreach efforts
- Properly trained law enforcement and first responders are assured civil immunity when responding to a drug overdose call
- Although “Local Transportation Funding Restoration,” “Cooperation and Investment in Education” and “Efficient and Effective Pretrial Functions” did not pass, we achieved incremental progress and ground work has been laid for initiatives next year



# County Successes in the Budget

- Secured additional funds for local roadways, health departments, community colleges, local impact grants and Program Open Space
- Budget language will moderate the county fiscal effects associated with a pending local income tax case
- Budget narrative will continue a State Department of Assessments and Taxation (SDAT) State and Local Advisory Council to oversee improvements to the property assessment process and other operations as recommended in a Property Assessment Workgroup report



# Transportation Funding Legislation

- Additional \$25 million provided in budget for local transportation - \$4 million counties, \$19 million municipalities; \$2 million Baltimore City
- Many Bills to Restore Local Highway User Revenue (HUR)
  - Administration's bill would have restored HUR over 8 years beginning in FY 2017 (HB 484/SB 591) and SB 181 would have restored over four-years beginning in FY 2016
  - HB 837 would have fully restored HUR in FY 2016 and provided a lock-box through a constitutional amendment
  - HB 899 would have authorized local governments to share in the new revenues attributed to the inflationary adjustment in the motor fuel tax and the sales tax applied to the cost of motor fuel
  - HB 1003 would have allocated all new revenues attributed to the inflationary adjustment in the motor fuel tax and the sales tax applied to cost of motor fuel to local governments
- Bills did not pass, Senate took no action, House killed all but the Administration's bill



# Other Transportation Legislation

- HUR Reporting Requirement
  - HB 913 modifies the HUR reporting requirement that passed last year
  - SHA must provide an electronic copy of an accounting report form to be used and they must compile all reports and submit one single report to the Governor and specified committees by February 1
  - In addition to the actual local highway user expenditures incurred in the previous fiscal year; the projected expenditures for the current fiscal year; and for both the prior and current fiscal year; the local highway user revenues spent on specified projects, local governments must provide:
    - The amount of funds diverted from the local general fund to pay for specific authorized projects during the previous fiscal year; and
    - The specific authorized projects that have been delayed due to a lack of funding



# State Highway Entrance Permit Process

- Legislation was introduced to address issues with the entrance permit process for residential subdivisions (HB 621/SB 656) and commercial/industrial properties (HB 762)
- The legislation specified timeframes for granting or denying permits and a process for appeal or judicial review
- The legislation failed, but MACo was successful in securing interim discussions with the State Highway Administration on the highway entrance permit process



# Stormwater Remediation Fee

- All bills to fully repeal the fee were killed in respective House and Senate Committees
- SB 863 partly repeals and heavily modifies the 2012 stormwater law – this bill has been signed by the Governor
- The bill does the following:
  - Repeal of the stormwater fee mandate (although Phase I jurisdictions must still fully fund their stormwater obligations under the permit)
  - New annual reporting requirements for Phase I jurisdictions
  - All Phase I jurisdictions must now file a financial assurance plan every 2 years to ensure they have sufficient funding to meet the impervious surface restoration requirements under their permits
  - MDE must approve a jurisdiction's financial assurance plan and upon a determination of insufficient funding must give a warning (for a first submitted plan) or impose a daily administrative penalty (for a second or subsequent submitted plan)
  - Requiring counties that fund the cost of stormwater remediation by using general revenues or through the issuance of bonds to meet with each municipality within its jurisdiction and mutually agree to assume responsibility for the municipality's stormwater remediation obligations, provide a tax setoff if the municipality has adopted its own stormwater fee, or negotiate some other agreement



# Stormwater Fee Remediation (cont.)

- Exempting veterans' organizations from the fee but providing a means to override the exemption for both veterans' organizations and volunteer fire departments (who are exempted under current law) in order to charge the stormwater fee on federal properties
- Creating a process where a county can collect stormwater fee charges from property owned by the State
- Requiring Phase I jurisdictions with a stormwater fee to include a certain statement with the bill for the fee
- Grandfathering Montgomery County from certain provisions related to the stormwater fee law
- Deleting funding language that caused problems with Phase I jurisdictions channeling stormwater fee monies into already existing local stormwater programs.
- Modifying the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and various funds managed by the Maryland Water Quality Financing Administration.
- Requiring annual reports by MDE to the Governor and General Assembly
- Requiring counties or municipalities that are not Phase I jurisdictions but have a stormwater fee to follow certain requirements when setting their fees.



# Obstacles in our Future

- Politicization of transportation funding and projects
- Tax reform efforts
- Analyses that show local governments have offset losses in HUR funding



# Important Dates to Remember

- Request for 2016 Legislative Initiatives – June 10, 2015
- MACo Summer Conference – August 12 – 15, 2015

## Contact Information

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