

How New State Legislation May Impact Montgomery County's "Rain Tax"

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This year, the Maryland General Assembly pursued several initiatives to curb or modify the "rain tax" - a state mandate compelling Montgomery County to collect a stormwater remediation fee from nearly-all of its property owners. Ultimately, the state legislature passed and Governor Hogan approved a new law (Senate Bill 863, now Chapter 124) that seeks to allow for, but no longer compel, the rain tax. A major change that may impact Montgomery County is that unlike the prior state mandate, this new law enables the county to collect the rain tax (known as the Water Quality Protection Charge) from properties owned by the State of Maryland or state agencies, so long as the county similarly pays the charge for county-owned properties. Any county action to modify the charge in light of the state law will have to wait until July 1, 2015, when the state law is formally enacted and effective.

While it is significant that the new state law no longer compels local governments to assess the rain tax, there is no indication that Montgomery County will stop assessing its charge, as it is the major revenue source for stormwater management and remediation initiatives. Nonetheless, the new law continues to require the County to base (and thereby limit) its charge on the share of county stormwater management services provided to the property, and to reduce the charge by a credit for a property owner's own stormwater management initiatives, such as a pond or rain garden.

After successfully challenging the Montgomery County Water Quality Protection Charge (also known as the "rain tax"), MM&C litigation attorneys **James L. Thompson** and **Diane E. Feuerherd** continue to advocate for fair, equitable and transparent assessments of county charges, including the "rain tax," to their clients.

[Click here to view prior articles outlining the "rain tax" as well as MM&C's successful case summary of Montgomery County's "Rain Tax".](#)

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