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By: **Delegates Schisler and Eckardt**

Introduced and read first time: February 7, 2003

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2003

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CHAPTER 48

1 AN ACT concerning

2 **Talbot County - Building Excise Tax**

3 FOR the purpose of authorizing the County Council of Talbot County to fix and  
4 impose, by ordinance, a building excise tax on all types of building construction;  
5 requiring the County Council to specify in the ordinance the types of building  
6 construction subject to the tax, the criteria and formulas used to assess the tax,  
7 and the tax rates; authorizing the County Council to impose different rates of  
8 the building excise tax on different types of building construction subject to the  
9 tax; requiring that the tax rates relate to the development or growth-related  
10 infrastructure needs in the County; requiring that the tax rates not exceed a  
11 certain amount; requiring the revenues from the building excise tax be  
12 deposited in a special fund; providing that the revenues from the building excise  
13 tax may only be used for certain capital costs of certain public works,  
14 improvements and facilities; ~~requiring authorizing the imposition of the~~  
15 ~~building excise tax be imposed~~ throughout Talbot County, including within  
16 municipal corporations; ~~requiring the a municipal corporations corporation to~~  
17 assist the County in the collection of the building excise tax if the tax is imposed  
18 within the municipal corporations corporation; requiring the County to adopt a  
19 certain revenue sharing mechanism to apportion an appropriate share of  
20 revenues from the building excise tax to the municipal corporations; and  
21 generally relating to authorizing the County Council of Talbot County to impose  
22 a building excise tax.

23 BY adding to

24 Article 24 - Political Subdivisions

25 Section 9-1001 to be under the new subtitle "Subtitle 10. Building Excise Tax"

26 Annotated Code of Maryland

1 (2001 Replacement Volume and 2002 Supplement)

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

4 **Article 24 - Political Subdivisions**

5 SUBTITLE 10. BUILDING EXCISE TAX.

6 9-1001.

7 (A) THE COUNTY COUNCIL OF TALBOT COUNTY, BY ORDINANCE, MAY FIX,  
8 IMPOSE, AND PROVIDE FOR THE COLLECTION OF A BUILDING EXCISE TAX ON ANY  
9 BUILDING CONSTRUCTION WITHIN TALBOT COUNTY.

10 (B) THE COUNTY COUNCIL SHALL SPECIFY IN THE ORDINANCE THE:

11 (1) TYPES OF BUILDING CONSTRUCTION SUBJECT TO THE BUILDING  
12 EXCISE TAX;

13 (2) CRITERIA AND FORMULAS USED TO ASSESS THE TAX; AND

14 (3) TAX RATES.

15 (C) (1) THE COUNTY COUNCIL MAY IMPOSE DIFFERENT RATES OF THE  
16 BUILDING EXCISE TAX ON DIFFERENT TYPES OF BUILDING CONSTRUCTION SUBJECT  
17 TO THE BUILDING EXCISE TAX.

18 (2) THE TAX RATES:

19 (I) SHALL RELATE TO THE DEVELOPMENT OR GROWTH-RELATED  
20 INFRASTRUCTURE NEEDS IN THE COUNTY; AND

21 (II) MAY NOT EXCEED \$2,000 PER LOT OR PARCEL WHERE BUILDING  
22 CONSTRUCTION IS TO OCCUR.

23 (D) (1) THE REVENUES FROM THE BUILDING EXCISE TAX SHALL BE  
24 DEPOSITED IN A SPECIAL FUND.

25 (2) THE SPECIAL FUND MAY ONLY BE USED FOR THE CAPITAL COSTS OF  
26 ADDITIONAL OR EXPANDED PUBLIC WORKS, IMPROVEMENTS, AND FACILITIES  
27 REQUIRED TO ACCOMMODATE NEW CONSTRUCTION OR DEVELOPMENT INCLUDING:

28 (I) BRIDGES;

29 (II) STREETS AND ROADS;

30 (III) PARKS AND RECREATIONAL FACILITIES;

31 (IV) SCHOOLS; AND

1 (V) STORM DRAINAGE FACILITIES.

2 (E) THE BUILDING EXCISE TAX ~~SHALL~~ MAY BE IMPOSED THROUGHOUT THE  
3 COUNTY, INCLUDING WITHIN MUNICIPAL CORPORATIONS.

4 (F) ~~MUNICIPAL CORPORATIONS IF THE BUILDING EXCISE TAX IS IMPOSED~~  
5 WITHIN A MUNICIPAL CORPORATION, THE MUNICIPAL CORPORATION SHALL ASSIST  
6 THE COUNTY IN THE COLLECTION OF THE BUILDING EXCISE TAX ~~WITHIN THE~~  
7 ~~MUNICIPAL CORPORATIONS BY:~~

8 (1) COLLECTING AND REMITTING THE TAX TO THE COUNTY; OR

9 (2) REQUIRING THE TAX BE PAID TO THE COUNTY IN ACCORDANCE  
10 WITH THE TERMS OF THE COUNTY ORDINANCE.

11 (G) THE COUNTY SHALL ADOPT A REVENUE SHARING MECHANISM TO  
12 APPORTION AN APPROPRIATE SHARE OF REVENUES FROM THE BUILDING EXCISE  
13 TAX TO THE MUNICIPAL CORPORATIONS WITHIN THE COUNTY.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect July 1, 2003.