

HOUSE BILL 523

Q7
HB 1260/06 – W&M

71r2617
CF SB 591

By: **Delegates Barve, Gilchrist, and Simmons**
Introduced and read first time: February 7, 2007
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 2007

CHAPTER _____

1 AN ACT concerning

2 **Municipal Corporations – Building Excise Tax**

3 FOR the purpose of authorizing municipal corporations to impose, by ordinance or
4 resolution, a building excise tax on all types of building construction within a
5 municipal corporation; requiring the governing body of a municipal corporation
6 to hold a public hearing before adopting a certain ordinance or resolution;
7 prohibiting a municipal corporation from imposing a building excise tax if the
8 municipal corporation imposes a certain impact fee; requiring a municipal
9 corporation to specify in the ordinance or resolution the types of building
10 construction subject to tax, the criteria and formulas used to calculate and
11 assess the tax, and the tax rates; authorizing a municipal corporation to impose
12 different rates of the building excise tax on different types of building
13 construction subject to the tax; requiring that the building excise tax be
14 assessed on an applicant for a building permit at the time of the issuance of the
15 building permit; requiring that the tax rates relate to the development or
16 growth-related infrastructure needs in the municipal corporation; authorizing a
17 municipal corporation to provide for tax credits against and exemptions from
18 the building excise tax; requiring that the revenues from the building excise tax
19 be deposited in a special fund; providing that the revenues from the building
20 excise tax may only be used for certain capital ~~and operating~~ costs of certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 public works, improvements, and facilities; and generally relating to
2 authorizing municipal corporations to impose a building excise tax.

3 BY adding to

4 Article 23A – Corporations – Municipal

5 Section 8A

6 Annotated Code of Maryland

7 (2005 Replacement Volume and 2006 Supplement)

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

10 **Article 23A – Corporations – Municipal**

11 **8A.**

12 (A) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A
13 MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A
14 BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION WITHIN THE
15 MUNICIPAL CORPORATION.

16 (2) THE GOVERNING BODY OF A MUNICIPAL CORPORATION
17 SHALL HOLD A PUBLIC HEARING BEFORE ADOPTING AN ORDINANCE OR
18 RESOLUTION UNDER THIS SECTION.

19 (3) A MUNICIPAL CORPORATION MAY NOT IMPOSE A BUILDING
20 EXCISE TAX IF THE MUNICIPAL CORPORATION IMPOSES ANY TYPE OF IMPACT
21 FEE.

22 (B) AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SECTION
23 SHALL SPECIFY THE:

24 (1) TYPES OF BUILDING CONSTRUCTION SUBJECT TO THE
25 BUILDING EXCISE TAX;

26 (2) CRITERIA AND FORMULAS USED TO CALCULATE AND ASSESS
27 THE TAX; AND

28 (3) TAX RATES.

1 (C) THE BUILDING EXCISE TAX SHALL BE ASSESSED ON AN APPLICANT
2 FOR A BUILDING PERMIT AT THE TIME OF THE ISSUANCE OF A BUILDING
3 PERMIT.

4 (D) (1) A MUNICIPAL CORPORATION MAY IMPOSE DIFFERENT RATES
5 OF THE BUILDING EXCISE TAX ON DIFFERENT TYPES OF BUILDING
6 CONSTRUCTION SUBJECT TO THE BUILDING EXCISE TAX.

7 (2) THE TAX RATES IMPOSED SHALL RELATE TO THE
8 DEVELOPMENT OR GROWTH-RELATED INFRASTRUCTURE NEEDS IN THE
9 MUNICIPAL CORPORATION.

10 (E) A MUNICIPAL CORPORATION MAY PROVIDE FOR TAX CREDITS
11 AGAINST AND EXEMPTIONS FROM THE BUILDING EXCISE TAX.

12 (F) (1) THE REVENUES FROM THE BUILDING EXCISE TAX SHALL BE
13 DEPOSITED INTO A SPECIAL FUND.

14 (2) THE SPECIAL FUND MAY ONLY BE USED FOR CAPITAL COSTS
15 FOR PUBLIC INFRASTRUCTURE TO SUPPORT COMMUNITY GROWTH AND
16 DEVELOPMENT, INCLUDING, ~~BUT NOT LIMITED TO~~ FOR:

17 (I) STREETS, ROADS, BRIDGES, AND RELATED
18 INFRASTRUCTURE;

19 (II) PARKS AND RECREATIONAL FACILITIES;

20 (III) STORM DRAIN FACILITIES;

21 (IV) WATER AND WASTEWATER TREATMENT FACILITIES;

22 (V) WATER AND WASTEWATER MAINTENANCE AND
23 RELATED INFRASTRUCTURE;

24 (VI) EMERGENCY SERVICES; ~~AND~~

25 (VII) DEBT REDUCTION RELATED TO EXPENDITURES FOR
26 CAPITAL IMPROVEMENTS; AND

27 ~~(VII)~~ (VIII) OTHER MUNICIPAL FACILITIES.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.