

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE**

House Bill 839 (Delegate Eckardt. *et al.*)

Ways and Means

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**Code Home Rule Counties - Development of Excise Taxes - Elimination of  
Maximum Charge**

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This bill removes the \$750 per lot cap on development excise taxes for financing public school facilities or improvements and for financing the purchase of development rights on agricultural land for code home rule counties. Code counties are Allegany, Caroline, Kent, Queen Anne's, and Worcester.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential increase in revenues for Caroline and Worcester counties. No effect on Allegany, Kent, or Queen Anne's counties.

**Small Business Effect:** Potential meaningful.

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**Fiscal Analysis**

**Local Revenues:** The bill's effect on revenues of code counties depends on the amount of any increase in the development excise taxes that would be authorized by the county commissioners. Caroline County currently charges the maximum amount of \$750 per lot for development excise taxes for school construction. For illustrative purposes, if the county doubles the rate, an additional \$25,000 in revenue would be generated per year. In addition, if the county doubles the rate for agricultural land preservation, an additional \$4,500 in revenue would be generated per year. Worcester County does not currently impose the development excise taxes, but advises that it is considering imposing such taxes.

Allegany, Kent, and Queen Anne's counties do not currently impose the development excise taxes, and thus would not be affected by the bill.

**Small Business Effect:** Any small businesses that would have to pay increased development excise taxes could be meaningfully affected depending on the amount of any increase in the taxes by the county commissioners.

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**Information Source(s):** Allegany, Caroline, Kent, Queen Anne's, and Worcester counties

**Fiscal Note History:** First Reader - March 16, 1998

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