

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1410 (Calvert County Delegation)

Ways and Means

Calvert County - Board of County Commissioners - Building Excise Tax

This bill repeals the provision of law authorizing the Board of County Commissioners of Calvert County to levy impact fees, and authorizes the board to impose, by ordinance, a building excise tax on building construction within the county. The ordinance must specify the types of buildings subject to the tax, and different rates may be assessed on different types of construction. The revenues from the tax will be deposited in the county's general fund and can be used for any lawful purpose in the county.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County estimates that excise tax revenues would replace the current revenues from impact fees. Minimal net change in revenues.

Small Business Effect: Minimal.

Analysis

Current Law: The Board of County Commissioners of Calvert County, by ordinance or resolution, may fix, impose, and collect development impact fees in order to finance capital improvements necessary to accommodate new construction or development. The board is not authorized to levy an excise tax.

Local Revenues: Calvert County currently collects approximately \$2 million annually in school impact fees. The county advises that net revenues would not change because excise taxes, levied at a similar rate, would replace the impact fees. An excise tax would provide a

more flexible funding source to finance anticipated increases in school maintenance and repair costs. Impact fees can be used for new school construction, not for upkeep and maintenance. The bill authorizes the Board of County Commissioners of Calvert County to use the excise taxes for any lawful purposes, including construction of new schools or improvements to existing schools. Calvert County further advises that the details of how an excise tax would be levied are being developed.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Calvert County, Department of Legislative Services

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