
By: **Senator Colburn**

Introduced and read first time: February 19, 2004

Assigned to: Rules

Re-referred to: Budget and Taxation, February 27, 2004

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 4, 2004

CHAPTER _____

1 AN ACT concerning

2 **Dorchester County - County Council - Building Excise Tax**

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

22 BY adding to
23 Article 24 - Political Subdivisions
24 Section 9-1002
25 Annotated Code of Maryland

1 (2001 Replacement Volume and 2003 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 9-1002.

6 (A) THE COUNTY COUNCIL OF DORCHESTER COUNTY, BY ORDINANCE, MAY
7 FIX AND IMPOSE A BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION WITHIN
8 DORCHESTER COUNTY.

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

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

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

13 (3) THE TAX RATES.

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

17 (2) THE TAX RATES:

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

20 (II) MAY NOT EXCEED:

21 1. \$5,000 PER LOT OR PARCEL UNIT FOR RESIDENTIAL
22 DEVELOPMENT WHERE BUILDING CONSTRUCTION IS TO OCCUR; OR

23 2. \$1 PER SQUARE FOOT FOR ANY CATEGORY OF
24 NONRESIDENTIAL DEVELOPMENT.

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

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

30 (I) EMERGENCY SERVICES;

31 (II) SHERIFF'S OFFICES; AND

32 (III) SCHOOLS.

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

3 (F) (1) IF THE BUILDING EXCISE TAX IS IMPOSED WITHIN A MUNICIPAL
4 CORPORATION, THE MUNICIPAL CORPORATION SHALL ASSIST THE COUNTY IN THE
5 COLLECTION OF THE BUILDING EXCISE TAX BY:

6 ~~(1)~~ (I) COLLECTING AND REMITTING THE TAX TO THE COUNTY; OR

7 ~~(2)~~ (II) REQUIRING THE TAX BE PAID TO THE COUNTY IN ACCORDANCE
8 WITH THE TERMS OF THE COUNTY ORDINANCE.

9 (2) A MUNICIPAL CORPORATION THAT COLLECTS THE TAX AND REMITS
10 THE TAX TO THE COUNTY MAY DEDUCT FROM THE REVENUES COLLECTED A FEE
11 NOT TO EXCEED 2% OF THE REVENUES COLLECTED, FOR ADMINISTRATIVE COSTS.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2004.