
By: **Washington County Delegation**

Introduced and read first time: February 11, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Washington County Growth Management Act of 2005**

3 FOR the purpose of providing that the Washington County Board of County
4 Commissioners may collect a building excise tax on certain construction within
5 Washington County prior to a certain time; authorizing the Washington County
6 Board of County Commissioners to waive the Washington County building
7 excise tax or impose different tax rates of the Washington County building
8 excise tax on certain construction; limiting the rate of the Washington County
9 building excise tax on certain construction; authorizing the Washington County
10 Board of County Commissioners to set a building excise tax rate that exceeds
11 certain limitations under certain circumstances; providing that certain revenues
12 that are deposited in a special fund may be used in future fiscal years; providing
13 that certain revenues from the Washington County building excise tax may only
14 be used for certain purposes; requiring certain municipal corporations in
15 Washington County to assist the county in the collection of the Washington
16 County building excise tax within the municipal corporations; authorizing
17 certain municipal corporations in Washington County to retain certain revenues
18 from the Washington County building excise tax; requiring that certain
19 municipal corporations in Washington County deposit certain revenues in a
20 special fund to be used for certain purposes; requiring the Washington County
21 Board of County Commissioners to encumber certain funds for certain purposes
22 during each fiscal year; requiring the Washington County Board of County
23 Commissioners to grant a building excise tax credit against the Washington
24 County building excise tax imposed on certain residential units; requiring the
25 Washington County Board of County Commissioners to set the amount and
26 duration of a building excise tax credit; requiring the Washington County Board
27 of County Commissioners to establish an advisory School Construction Review
28 Committee; requiring the members of the advisory School Construction Review
29 Committee to review certain information and make certain recommendations to
30 the Washington County Board of County Commissioners; requiring certain
31 municipal corporations to report certain information by a certain date to the
32 Washington County Board of County Commissioners; requiring the Washington
33 County Board of County Commissioners to report certain information by a
34 certain date to the Washington County legislative delegation; requiring the
35 Washington County Board of County Commissioners to adopt a certain plan by

1 a certain date; and generally relating to distributing revenue in Washington
2 County.

3 BY repealing and reenacting, with amendments,
4 The Public Local Laws of Washington County
5 Section 2-701
6 Article 22 - Public Local Laws of Maryland
7 (1991 Edition and December 1997 Supplement, as amended)
8 (As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as
9 amended by Chapter 398 of the Acts of the General Assembly of 2004)

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

12 **Article 22 - Washington County**

13 2-701.

14 (a) (1) The County Commissioners of Washington County, by ordinance, may
15 fix, impose, and collect a building excise tax on any building construction within
16 Washington County.

17 (2) THE COUNTY COMMISSIONERS MAY COLLECT A BUILDING EXCISE
18 TAX ON A BUILDING CONSTRUCTION WITHIN WASHINGTON COUNTY PRIOR TO THE
19 DATE AN INITIAL BUILDING PERMIT IS ISSUED FOR THAT BUILDING CONSTRUCTION.

20 (b) (1) The County Commissioners shall specify in the ordinance the:

21 (i) types of building construction subject to the building excise tax;
22 and

23 (ii) tax rates.

24 (2) (I) [Except as provided in paragraph (3) of this subsection] FOR
25 NONRESIDENTIAL BUILDING TYPES, the County Commissioners may impose
26 [different rates of the] A building excise tax NOT TO EXCEED \$5 PER SQUARE FOOT
27 [based on:

28 (i) the square footage of the building;

29 (ii) the housing or building type; and

30 (iii) zoning classifications consistent with goals of the
31 comprehensive plan of Washington County].

32 (II) THE COUNTY COMMISSIONERS MAY IMPOSE DIFFERENT RATES
33 OR WAIVE THE BUILDING EXCISE TAX FOR DIFFERENT NONRESIDENTIAL BUILDING
34 TYPES.

1 (3) [(i) For a fiscal year beginning after June 30, 2003, but before July
2 1, 2008] EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, FOR
3 SINGLE-FAMILY RESIDENTIAL UNITS, the County Commissioners may impose a
4 building excise tax rate not to exceed [\$1 per square foot] \$13,000 PER UNIT.

5 (4) [(ii) For any fiscal year beginning after June 30, 2008] EXCEPT AS
6 PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, FOR MULTIFAMILY RESIDENTIAL
7 UNITS, the County Commissioners may [set the] IMPOSE A building excise tax rate
8 NOT TO EXCEED \$15,500 PER UNIT.

9 (5) THE COUNTY COMMISSIONERS MAY IMPOSE A BUILDING EXCISE TAX
10 RATE FOR SINGLE-FAMILY RESIDENTIAL UNITS AND MULTIFAMILY RESIDENTIAL
11 UNITS THAT EXCEEDS THE LIMITATIONS SET IN PARAGRAPHS (3) AND (4) OF THIS
12 SUBSECTION IF THE NUMBER OF RESIDENTIAL UNITS DEVELOPED IN A SINGLE
13 SUBDIVISION EXCEEDS AN AMOUNT SPECIFIED BY THE COUNTY COMMISSIONERS.

14 (c) (1) The County Director of Finance shall deposit the revenues from the
15 building excise tax into a special NONLAPSING fund.

16 (2) The revenues [from] DEPOSITED IN the special fund THAT ARE
17 GENERATED BY THE BUILDING EXCISE TAX IMPOSED ON NONRESIDENTIAL
18 BUILDING TYPES may only be used for:

19 (i) [school renovation and construction;

20 (ii)] primary, secondary, or higher education capital expenditures;

21 [(iii)] (II) public safety capital expenditures;

22 [(iv)] (III) public infrastructure projects; and

23 [(v)] (IV) debt reduction RELATED TO CAPITAL IMPROVEMENTS
24 EXPENDITURES.

25 (3) THE REVENUES FROM THE BUILDING EXCISE TAX IMPOSED ON
26 SINGLE-FAMILY RESIDENTIAL UNITS OR MULTIFAMILY RESIDENTIAL UNITS MAY
27 ONLY BE USED AS FOLLOWS:

28 (I) 70% FOR SCHOOLS;

29 (II) 23% FOR ROADS; AND

30 (III) 7% FOR PUBLIC LIBRARIES, PARKS AND RECREATIONAL
31 FACILITIES, PUBLIC SAFETY, AND AGRICULTURAL LAND PRESERVATION.

32 (4) (I) THE REVENUES FROM THE BUILDING EXCISE TAX IMPOSED ON
33 SINGLE-FAMILY RESIDENTIAL UNITS AND MULTIFAMILY RESIDENTIAL UNITS USED
34 FOR ROADS, PUBLIC LIBRARIES, AND PARKS AND RECREATION MAY ONLY BE USED
35 FOR THE CAPITAL COSTS OF PUBLIC WORKS, IMPROVEMENTS, AND FACILITIES.

1 (II) THE REVENUES FROM THE BUILDING EXCISE TAX IMPOSED ON
2 SINGLE-FAMILY RESIDENTIAL UNITS AND MULTIFAMILY RESIDENTIAL UNITS USED
3 FOR SCHOOLS MAY ONLY BE USED FOR THE CAPITAL COSTS THAT PRIMARILY
4 PROVIDE ADDITIONAL CAPACITY REQUIRED TO ACCOMMODATE NEW
5 CONSTRUCTION OR DEVELOPMENT.

6 (5) AT THE END OF A FISCAL YEAR, ANY UNSPENT OR UNENCUMBERED
7 BALANCE IN THE SPECIAL FUND SHALL REMAIN IN THE FUND AVAILABLE FOR USE
8 IN FUTURE FISCAL YEARS FOR PURPOSES SPECIFIED IN THIS SUBSECTION AND
9 DOES NOT REVERT TO THE GENERAL FUND OF WASHINGTON COUNTY.

10 (D) (1) (I) THIS PARAGRAPH APPLIES TO A MUNICIPAL CORPORATION
11 WITHIN WASHINGTON COUNTY THAT HAS NOT ADOPTED AN ADEQUATE PUBLIC
12 FACILITIES ORDINANCE WITH SCHOOL ADEQUACY TESTS SUBSTANTIALLY SIMILAR
13 TO OR MORE STRINGENT THAN THE ADEQUATE PUBLIC FACILITIES ORDINANCE
14 ADOPTED BY THE COUNTY COMMISSIONERS.

15 (II) A MUNICIPAL CORPORATION DESCRIBED IN SUBPARAGRAPH (I)
16 OF THIS PARAGRAPH SHALL ASSIST THE COUNTY COMMISSIONERS IN THE
17 COLLECTION OF THE BUILDING EXCISE TAX WITHIN THE MUNICIPAL CORPORATION
18 BY:

19 1. COLLECTING AND REMITTING THE TAX TO THE COUNTY;
20 OR

21 2. REQUIRING THE TAX TO BE PAID TO THE COUNTY
22 COMMISSIONERS IN ACCORDANCE WITH THE TERMS OF THE COUNTY ORDINANCE.

23 (2) (I) THIS PARAGRAPH APPLIES TO A MUNICIPAL CORPORATION
24 WITHIN WASHINGTON COUNTY THAT HAS ADOPTED AN ADEQUATE PUBLIC
25 FACILITIES ORDINANCE WITH SCHOOL ADEQUACY TESTS SUBSTANTIALLY SIMILAR
26 TO OR MORE STRINGENT THAN THE ADEQUATE PUBLIC FACILITIES ORDINANCE
27 ADOPTED BY THE COUNTY COMMISSIONERS.

28 (II) FOR EACH SINGLE-FAMILY RESIDENTIAL UNIT OR
29 MULTIFAMILY RESIDENTIAL UNIT THAT IS WITHIN A MUNICIPAL CORPORATION
30 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE MUNICIPAL
31 CORPORATION:

32 1. SHALL ASSIST THE COUNTY COMMISSIONERS IN THE
33 COLLECTION OF THAT PORTION OF THE BUILDING EXCISE TAX THAT IS DEDICATED
34 TO SCHOOLS AS PROVIDED UNDER SUBSECTION (C)(3) OF THIS SECTION, BY
35 COLLECTING AND REMITTING THAT AMOUNT OF THE TAX TO THE COUNTY; AND

36 2. MAY RETAIN THE REMAINING PORTION OF THE BUILDING
37 EXCISE TAX.

38 (III) 1. THE MUNICIPAL CORPORATION IS NOT REQUIRED TO
39 RETAIN ANY PORTION OF THE BUILDING EXCISE TAX AS PROVIDED UNDER
40 SUBPARAGRAPH (II)2 OF THIS PARAGRAPH.

1 [(e) A municipal corporation within Washington County shall assist the County
2 Commissioners in the collection of the building excise tax within the municipal
3 corporation by:

4 (1) collecting and remitting the tax to the county; or

5 (2) requiring the tax to be paid to the County Commissioners in
6 accordance with the terms of the county ordinance.]

7 (G) (1) THE COUNTY COMMISSIONERS BY ORDINANCE SHALL GRANT A
8 BUILDING EXCISE TAX CREDIT AGAINST THE WASHINGTON COUNTY BUILDING
9 EXCISE TAX IMPOSED ON SINGLE-FAMILY RESIDENTIAL UNITS AND MULTIFAMILY
10 RESIDENTIAL UNITS THAT ARE DEVELOPED AS WORKFORCE HOUSING.

11 (2) THE COUNTY COMMISSIONERS SHALL PROVIDE, BY LAW, FOR:

12 (I) THE AMOUNT AND DURATION OF THE BUILDING EXCISE TAX
13 CREDIT UNDER THIS SECTION; AND

14 (II) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THE
15 BUILDING EXCISE TAX CREDIT UNDER THIS SUBSECTION.

16 (H) (1) THE COUNTY COMMISSIONERS SHALL ESTABLISH AN ADVISORY
17 SCHOOL CONSTRUCTION REVIEW COMMITTEE.

18 (2) BY SEPTEMBER 1 OF EACH YEAR, THE SCHOOL CONSTRUCTION
19 REVIEW COMMITTEE SHALL REVIEW ANY CAPITAL REQUEST OR SCHOOL PROJECT
20 SUBMITTED BY THE WASHINGTON COUNTY SCHOOL BOARD FOR THE SCHOOL YEAR
21 BEGINNING IN THAT YEAR AND MAKE RECOMMENDATIONS TO THE COUNTY
22 COMMISSIONERS.

23 (I) (1) ON OR BEFORE SEPTEMBER 30 OF EACH YEAR, EACH MUNICIPAL
24 CORPORATION THAT RETAINS REVENUES UNDER SUBSECTION (D)(2) OF THIS
25 SECTION SHALL REPORT ANNUALLY TO THE COUNTY COMMISSIONERS:

26 (I) THE AMOUNT OF REVENUES THE MUNICIPAL CORPORATION
27 RECEIVED AND THE NUMBER OF SINGLE-FAMILY RESIDENTIAL UNITS AND
28 MULTIFAMILY RESIDENTIAL UNITS THAT GENERATED THESE REVENUES;

29 (II) THE AMOUNT OF REVENUES REMITTED TO THE COUNTY
30 COMMISSIONERS AND THE AMOUNT RETAINED BY THE MUNICIPAL CORPORATION;
31 AND

32 (III) A DETAILED ACCOUNTING OF HOW THE REVENUES THAT WERE
33 RETAINED BY THE MUNICIPAL CORPORATION WERE DISTRIBUTED AMONG THE
34 ACCEPTABLE USES SPECIFIED IN SUBSECTION (D)(2)(III) OF THIS SECTION AND THE
35 SPECIFIC PROJECTS FOR WHICH THE REVENUES WERE USED.

1 (2) THE REPORT PREPARED BY EACH MUNICIPAL CORPORATION SHALL
2 BE BASED ON THE FISCAL YEAR ENDING ON JUNE 30 OF THE YEAR THE REPORT IS
3 SUBMITTED.

4 (J) (1) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COUNTY
5 COMMISSIONERS SHALL:

6 (I) REPORT TO THE MEMBERS OF THE WASHINGTON COUNTY
7 LEGISLATIVE DELEGATION:

8 1. THE AMOUNT OF REVENUES BY SCHOOL DISTRICT THAT
9 THE COUNTY COMMISSIONERS RECEIVED FROM NONRESIDENTIAL BUILDING TYPES,
10 SINGLE-FAMILY RESIDENTIAL UNITS, AND MULTIFAMILY RESIDENTIAL UNITS, AND
11 THE NUMBER AND TYPE OF UNITS THAT GENERATED THESE REVENUES; AND

12 2. A DETAILED ACCOUNTING OF HOW THE REVENUES WERE
13 DISTRIBUTED AMONG THE ACCEPTABLE USES SPECIFIED IN SUBSECTION (C) OF
14 THIS SECTION AND THE SPECIFIC PROJECTS FOR WHICH THE REVENUES WERE
15 USED; AND

16 (II) SUBMIT TO MEMBERS OF THE WASHINGTON COUNTY
17 LEGISLATIVE DELEGATION:

18 1. THE REPORT PREPARED BY EACH MUNICIPAL
19 CORPORATION UNDER SUBSECTION (H) OF THIS SECTION; AND

20 2. A REPORT ON THE STATUS OF THE BUILDING EXCISE TAX
21 CREDIT PROVIDED UNDER SUBSECTION (F) OF THIS SECTION.

22 (2) THE REPORTS PREPARED BY THE COUNTY COMMISSIONERS SHALL
23 BE BASED ON THE FISCAL YEAR ENDING ON JUNE 30 OF THE YEAR THE REPORTS ARE
24 SUBMITTED.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Washington County
26 Board of County Commissioners shall adopt a transition policy necessary to
27 implement the provisions of this Act on or before October 1, 2005.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2005.