
By: **Frederick County Delegation**

Introduced and read first time: February 15, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Building Excise Tax - Road Projects**

3 FOR the purpose of altering a certain exemption from a building excise tax in
4 Frederick County on certain road construction under certain conditions;
5 specifying fees that would qualify for the exemption; prohibiting the Frederick
6 County Commissioners from expending certain funds for a road project on a
7 State highway unless the County Commissioners act aggressively to obtain
8 State funds or other grants for the same project; and generally relating to the
9 building excise tax in Frederick County.

10 BY repealing and reenacting, with amendments,
11 The Public Local Laws of Frederick County
12 Section 2-7-131
13 Article 11 - Public Local Laws of Maryland
14 (2004 Edition, as amended)

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

17 **Article 11 - Frederick County**

18 2-7-131.

19 (A) Subject to subsection (B) of this section, the County Commissioners of
20 Frederick County, by ordinance, may fix, impose, and collect a building excise tax.

21 (B) (1) If the county commissioners imposed a building excise tax, the county
22 commissioners may not also impose an impact fee for financing the capital costs of
23 additional or expanded roads under the authority granted in Article 25, § 9(J) of the
24 Code.

25 (2) (I) [If] SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, IF
26 a municipal corporation has imposed OR COLLECTED a tax OR FEE on construction
27 specifically devoted and limited by law OR BY AGREEMENT to use for capital projects
28 for additional or expanded public road facilities THAT MAY INCLUDE UTILITIES AND

1 OTHER IMPROVEMENTS CUSTOMARILY CONSTRUCTED WITH ROAD PROJECTS, the
2 county commissioners may not impose or collect a building excise tax on the same
3 construction within the municipal corporation.

4 (II) FEES QUALIFYING FOR THE BUILDING EXCISE TAX EXEMPTION
5 UNDER THIS PARAGRAPH INCLUDE FEES IMPOSED OR PAID UNDER AN AGREEMENT
6 IN SATISFACTION OF THE PROPERTY OWNER'S OBLIGATIONS WITH REGARD TO SUCH
7 MATTERS AS SPECIAL ASSESSMENT FEES, IMPACT FEES, AND ADEQUATE PUBLIC
8 FACILITIES REQUIREMENTS.

9 (III) IF THE TAX OR FEE IMPOSED OR COLLECTED IS LESS THAN
10 WHAT THE BUILDING EXCISE TAX WOULD HAVE BEEN ON THE CONSTRUCTION, THE
11 PROPERTY OWNER SHALL PAY THE DIFFERENCE TO THE COUNTY.

12 (C) (1) Except as otherwise provided in this subsection, the county
13 commissioners shall specify in the ordinance the type of construction subject to the
14 building excise tax.

15 (2) Construction intended to be actively used for farm or agricultural use
16 may not be subject to a building excise tax under this section so long as the
17 construction continues to be actively used for farm or agricultural use.

18 (3) Residential construction may not be subject to a building excise tax
19 under this section if:

20 (I) The construction is for a single-family residential building
21 existing on July 1, 2001; and

22 (II) The construction increases the square footage of the building by
23 less than 100% of the already permitted square footage.

24 (4) The county commissioners may establish:

25 (I) Criteria to determine if construction qualifies for an exemption
26 under this section; and

27 (II) Additional building excise tax exemptions with appropriate
28 criteria.

29 (D) (1) The county director of finance shall deposit the revenues from the
30 building excise tax in an account called the "Development Road Improvement Fund."

31 (2) Subject to paragraphs (3) and (4) of this subsection, the revenues
32 from the building excise tax in the development road improvement fund shall be used
33 only to pay for capital projects or indebtedness incurred for capital projects for
34 additional or expanded public road facilities, including bridges, intersection
35 improvements, and new road construction and road improvement.

36 (3) Before the county commissioners may expend funds from the
37 development road improvement fund, the county commissioners must match at least

1 the same amount of funds for capital projects for additional or expanded public road
2 facilities.

3 (4) Before the county commissioners may expend funds from the
4 development road improvement fund for a road project on a state highway, as defined
5 in § 8-101 of the Transportation Article, the [state must match at least the same
6 amount of funds for a capital project for additional or expanded public road facilities
7 on the same road project on the state highway that is within Frederick County.]
8 COUNTY COMMISSIONERS MUST ACT AGGRESSIVELY TO OBTAIN STATE FUNDS OR
9 OTHER GRANTS BEFORE LOCAL MONEY IS USED EXCLUSIVELY FOR THE SAME
10 PROJECT.

11 (E) A municipal corporation shall assist the county commissioners in the
12 collection of the building excise tax within the municipal corporation by:

13 (1) Collecting and remitting the tax to the county; or

14 (2) Requiring the tax to be paid to the county commissioners in
15 accordance with a county ordinance.

16 (F) The county commissioners, in consultation with the Frederick County
17 Director of Finance:

18 (1) Shall conduct a comprehensive study of the impact of the building
19 excise tax on the economy of Frederick County; and

20 (2) On or before January 1, 2006, shall submit the results of the study
21 and recommendations to the Frederick County Senators and Delegates.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2005.