
By: **Delegates Barve, Gordon, and Simmons**
Introduced and read first time: February 10, 2006
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Municipal Corporations - Building Excise Tax**

3 FOR the purpose of authorizing municipal corporations to impose, by ordinance or
4 resolution, a building excise tax on all types of building construction within a
5 municipal corporation; requiring a municipal corporation to specify in the
6 ordinance or resolution the types of building construction subject to tax, the
7 criteria and formulas used to assess the tax, and the tax rates; authorizing a
8 municipal corporation to impose different rates of the building excise tax on
9 different types of building construction subject to the tax; requiring that the tax
10 rates relate to the development or growth-related infrastructure needs in the
11 municipal corporation; authorizing a municipal corporation to provide for tax
12 credits against and exemptions from the building excise tax; requiring the
13 revenues from the building excise tax be deposited in a special fund; providing
14 that the revenues from the building excise tax may only be used for certain
15 capital and operating costs of certain public works, improvements, and facilities;
16 and generally relating to authorizing municipal corporations to impose a
17 building excise tax.

18 BY adding to
19 Article 23A - Corporations - Municipal
20 Section 8A
21 Annotated Code of Maryland
22 (2005 Replacement Volume)

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

25 **Article 23A - Corporations - Municipal**

26 8A.

27 (A) A MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR
28 RESOLUTION, A BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION WITHIN
29 THE MUNICIPAL CORPORATION.

1 (B) AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SECTION SHALL
2 SPECIFY THE:

3 (1) TYPES OF BUILDING CONSTRUCTION SUBJECT TO THE BUILDING
4 EXCISE TAX;

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

6 (3) TAX RATES.

7 (C) (1) A MUNICIPAL CORPORATION MAY IMPOSE DIFFERENT RATES OF THE
8 BUILDING EXCISE TAX ON DIFFERENT TYPES OF BUILDING CONSTRUCTION SUBJECT
9 TO THE BUILDING EXCISE TAX.

10 (2) THE TAX RATES SHALL RELATE TO THE DEVELOPMENT OR
11 GROWTH-RELATED INFRASTRUCTURE NEEDS IN THE MUNICIPAL CORPORATION.

12 (D) A MUNICIPAL CORPORATION MAY PROVIDE FOR TAX CREDITS AGAINST
13 AND EXEMPTIONS FROM THE BUILDING EXCISE TAX.

14 (E) (1) THE REVENUES FROM THE BUILDING EXCISE TAX SHALL BE
15 DEPOSITED INTO A SPECIAL FUND.

16 (2) THE SPECIAL FUND MAY ONLY BE USED FOR ANY CAPITAL AND
17 OPERATING COSTS RELATED TO GROWTH INCLUDING, BUT NOT LIMITED TO:

18 (I) STREETS, ROADS, BRIDGES, AND RELATED INFRASTRUCTURE;

19 (II) PARKS AND RECREATIONAL FACILITIES;

20 (III) STORM DRAIN FACILITIES;

21 (IV) WATER AND WASTEWATER TREATMENT FACILITIES;

22 (V) WATER AND WASTEWATER MAINTENANCE AND RELATED
23 INFRASTRUCTURE;

24 (VI) EMERGENCY SERVICES;

25 (VII) SCHOOL FACILITIES; AND

26 (VIII) OTHER MUNICIPAL FACILITIES.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2006.