

**ENROLLED BILL**

-- Ways and Means/Budget and Taxation --

Introduced by **Washington County Delegation**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Washington County - Building Excise Tax**

3 FOR the purpose of ~~providing that for~~ *exempting a certain portion of* nonresidential  
4 addition construction, ~~a~~ *from the* building excise tax imposed in Washington  
5 County ~~applies only to the portion of the nonresidential addition construction~~  
6 ~~that exceeds a certain portion of the gross square footage of the nonresidential~~  
7 ~~building prior to the beginning of construction for which a building permit has~~  
8 ~~been issued after the addition construction;~~ *providing that the exemption may*  
9 *not apply more than once to the same building in a certain period;* authorizing  
10 the County Commissioners of Washington County to provide for certain  
11 individual exemptions for specific construction projects; requiring the County  
12 Commissioners to report to the Washington County legislative delegation  
13 annually regarding certain individual exemptions from the building excise tax;  
14 and generally relating to the building excise tax in Washington County.

15 BY repealing and reenacting, without amendments,  
16 The Public Local Laws of Washington County

1 Section 2-701(a) *and (b)*  
 2 Article 22 - Public Local Laws of Maryland  
 3 (1991 Edition and December 1997 Supplement, as amended)  
 4 (As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as  
 5 amended by Chapter 398 of the Acts of the General Assembly of 2004, as  
 6 amended by Chapter 598 of the Acts of the General Assembly of 2005)

7 BY repealing and reenacting, with amendments,  
 8 The Public Local Laws of Washington County  
 9 ~~Section 2-701(b) and (f), (f), and (i)~~  
 10 *Section 2-701(f) and (i)*  
 11 Article 22 - Public Local Laws of Maryland  
 12 (1991 Edition and December 1997 Supplement, as amended)  
 13 (As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as  
 14 amended by Chapter 398 of the Acts of the General Assembly of 2004, as  
 15 amended by Chapter 598 of the Acts of the General Assembly of 2005)

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

18 **Article 22 - Washington County**

19 2-701.

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

23 (2) The County Commissioners may collect a building excise tax on  
 24 building construction within Washington County prior to the date an initial building  
 25 permit is issued for that building construction.

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

27 (i) types of building construction subject to the building excise tax;

28 and

29 (ii) tax rates.

30 (2) (i) For nonresidential building types, the County Commissioners  
 31 may impose a building excise tax not to exceed \$5 per square foot.

32 (ii) The County Commissioners may impose different rates or waive  
 33 the building excise tax for different nonresidential building types and uses.

34 ~~(III) FOR NONRESIDENTIAL ADDITION CONSTRUCTION, THE~~  
 35 ~~BUILDING EXCISE TAX SHALL APPLY ONLY TO THAT PORTION OF THE~~  
 36 ~~NONRESIDENTIAL ADDITION CONSTRUCTION THAT EXCEEDS THE GROSS SQUARE~~

~~1 FOOTAGE OF THE NONRESIDENTIAL BUILDING AFTER THE ADDITION  
2 CONSTRUCTION IN EXCESS OF TWICE THE GROSS SQUARE FOOTAGE OF THE  
3 NONRESIDENTIAL BUILDING PRIOR TO THE BEGINNING OF CONSTRUCTION FOR  
4 WHICH A BUILDING PERMIT HAS BEEN ISSUED.~~

5 (3) Except as provided in paragraph (5) of this subsection, for  
6 single-family residential units, the County Commissioners may impose a building  
7 excise tax rate not to exceed \$13,000 per unit.

8 (4) Except as provided in paragraph (5) of this subsection, for  
9 multifamily residential units, the County Commissioners may impose a building  
10 excise tax rate not to exceed \$15,500 per unit.

11 (5) (i) This paragraph applies to the development of a single  
12 subdivision that has more than 25 residential units.

13 (ii) The County Commissioners may impose a building excise tax  
14 for single-family residential units and multifamily residential units developed in a  
15 subdivision described under subparagraph (i) of this paragraph that does not exceed  
16 twice the building excise tax set under paragraph (3) or (4) of this subsection, if the  
17 development of the subdivision:

18 1. is in a school district where a school is at or above 85% of  
19 the State rated school capacity;

20 2. causes the roads or intersection within 1 centerline mile in  
21 any direction of any new street connecting the subdivision to be lower than a level of  
22 service D; or

23 3. causes the intersections outside of the urban and town  
24 growth areas to be lower than a level of service C.

25 (f) (1) The building excise tax does not apply to construction intended to be  
26 actively used for farm or agricultural use so long as the construction continues to be  
27 actively used for farm or agricultural use.

28 ~~(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
29 PARAGRAPH, THE BUILDING EXCISE TAX DOES NOT APPLY TO THE FIRST 50,000  
30 SQUARE FEET OF NONRESIDENTIAL ADDITION CONSTRUCTION.~~

31 ~~(II) THE EXEMPTION UNDER SUBPARAGRAPH (I) OF THIS  
32 PARAGRAPH MAY NOT APPLY MORE THAN ONCE TO THE SAME BUILDING IN ANY  
33 5-YEAR PERIOD.~~

34 ~~(3)~~ (3) The County Commissioners may provide for additional  
35 exemptions to the building excise tax, INCLUDING INDIVIDUAL EXEMPTIONS FOR  
36 SPECIFIC CONSTRUCTION PROJECTS ON REQUEST.

37 (i) (1) On or before December 31 of each year, the County Commissioners  
38 shall:

1 (i) report to the members of the Washington County legislative  
2 delegation:

3 1. the amount of revenues by school district that the County  
4 Commissioners received from nonresidential building types, single-family residential  
5 units, and multifamily residential units, and the number and type of units that  
6 generated these revenues; [and]

7 2. a detailed accounting of how the revenues were  
8 distributed among the acceptable uses specified in subsection (c) of this section and  
9 the specific projects for which the revenues were used; and

10 3. THE TOTAL NUMBER OF REQUESTS FOR INDIVIDUAL  
11 EXEMPTIONS FROM THE BUILDING EXCISE TAX UNDER SUBSECTION (F)(2) OF THIS  
12 SECTION, THE NUMBER OF EXEMPTION REQUESTS DENIED, AND FOR EACH PROJECT  
13 FOR WHICH AN INDIVIDUAL EXEMPTION IS GRANTED, THE NAME OF THE OWNER OR  
14 DEVELOPER OF THE PROJECT AND THE NAME, ADDRESS, AND DESCRIPTION OF THE  
15 PROJECT; AND

16 (ii) submit to members of the Washington County legislative  
17 delegation:

18 1. the report prepared by each municipal corporation under  
19 subsection (h) of this section; and

20 2. a report on the status of the building excise tax credit  
21 provided under subsection (f) of this section.

22 (2) The reports prepared by the County Commissioners shall be based on  
23 the fiscal year ending on June 30 of the year the reports are submitted.

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