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**By: Washington County Delegation**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 2006

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## CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Washington County - Building Excise Tax**

3 FOR the purpose of providing that for nonresidential addition construction, a building  
 4 excise tax imposed in Washington County applies only to ~~the portion of the~~  
 5 ~~nonresidential addition construction that exceeds a certain portion of~~ the gross  
 6 square footage of the nonresidential building ~~prior to the beginning of~~  
 7 ~~construction for which a building permit has been issued~~ after the addition  
 8 construction; authorizing the County Commissioners of Washington County to  
 9 provide for certain individual exemptions for specific construction projects;  
 10 requiring the County Commissioners to report to the Washington County  
 11 legislative delegation annually regarding certain individual exemptions from  
 12 the building excise tax; and generally relating to the building excise tax in  
 13 Washington County.

14 BY repealing and reenacting, without amendments,  
 15 The Public Local Laws of Washington County  
 16 Section 2-701(a)  
 17 Article 22 - Public Local Laws of Maryland  
 18 (1991 Edition and December 1997 Supplement, as amended)  
 19 (As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as  
 20 amended by Chapter 398 of the Acts of the General Assembly of 2004, as  
 21 amended by Chapter 598 of the Acts of the General Assembly of 2005)

22 BY repealing and reenacting, with amendments,  
 23 The Public Local Laws of Washington County  
 24 Section 2-701(b) ~~and (f), (f), and (i)~~  
 25 Article 22 - Public Local Laws of Maryland

1 (1991 Edition and December 1997 Supplement, as amended)  
2 (As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as  
3 amended by Chapter 398 of the Acts of the General Assembly of 2004, as  
4 amended by Chapter 598 of the Acts of the General Assembly of 2005)

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

7 **Article 22 - Washington County**

8 2-701.

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

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

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

16 (i) types of building construction subject to the building excise tax;  
17 and

18 (ii) tax rates.

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

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

23 (III) FOR NONRESIDENTIAL ADDITION CONSTRUCTION, THE  
24 BUILDING EXCISE TAX SHALL APPLY ONLY TO ~~THAT PORTION OF THE~~  
25 ~~NONRESIDENTIAL ADDITION CONSTRUCTION THAT EXCEEDS THE GROSS SQUARE~~  
26 FOOTAGE OF THE NONRESIDENTIAL BUILDING AFTER THE ADDITION  
27 CONSTRUCTION IN EXCESS OF TWICE THE GROSS SQUARE FOOTAGE OF THE  
28 NONRESIDENTIAL BUILDING PRIOR TO THE BEGINNING OF CONSTRUCTION FOR  
29 WHICH A BUILDING PERMIT HAS BEEN ISSUED.

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

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

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

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

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

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

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

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

18 (2) The County Commissioners may provide for additional exemptions to  
19 the building excise tax, INCLUDING INDIVIDUAL EXEMPTIONS FOR SPECIFIC  
20 CONSTRUCTION PROJECTS ON REQUEST.

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

23 (i) report to the members of the Washington County legislative  
24 delegation:

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

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

32 3. THE TOTAL NUMBER OF REQUESTS FOR INDIVIDUAL  
33 EXEMPTIONS FROM THE BUILDING EXCISE TAX UNDER SUBSECTION (F)(2) OF THIS  
34 SECTION, THE NUMBER OF EXEMPTION REQUESTS DENIED, AND FOR EACH PROJECT  
35 FOR WHICH AN INDIVIDUAL EXEMPTION IS GRANTED, THE NAME OF THE OWNER OR  
36 DEVELOPER OF THE PROJECT AND THE NAME, ADDRESS, AND DESCRIPTION OF THE  
37 PROJECT; AND

1 (ii) submit to members of the Washington County legislative  
2 delegation:

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

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

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

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