

SENATE BILL 591

Q7
HB 1260/06 – W&M

71r1609
CF 71r2617

By: **Senator Madaleno**
Introduced and read first time: February 2, 2007
Assigned to: Budget and Taxation

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 the governing body of a municipal corporation
6 to hold a public hearing before adopting a certain ordinance or resolution;
7 prohibiting a municipal corporation from imposing a building excise tax if the
8 municipal corporation imposes a certain impact fee; requiring a municipal
9 corporation to specify in the ordinance or resolution the types of building
10 construction subject to tax, the criteria and formulas used to assess the tax, and
11 the tax rates; authorizing a municipal corporation to impose different rates of
12 the building excise tax on different types of building construction subject to the
13 tax; requiring that the building excise tax be assessed on an applicant for a
14 building permit at the time of the issuance of the building permit; requiring
15 that the tax rates relate to the development or growth-related infrastructure
16 needs in the municipal corporation; authorizing a municipal corporation to
17 provide for tax credits against and exemptions from the building excise tax;
18 requiring that the revenues from the building excise tax be deposited in a
19 special fund; providing that the revenues from the building excise tax may only
20 be used for certain capital and operating costs of certain public works,
21 improvements, and facilities; and generally relating to authorizing municipal
22 corporations to impose a building excise tax.

23 BY adding to
24 Article 23A – Corporations – Municipal
25 Section 8A

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2005 Replacement Volume and 2006 Supplement)

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

5 **Article 23A – Corporations – Municipal**

6 **8A.**

7 (A) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A
8 MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A
9 BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION WITHIN THE
10 MUNICIPAL CORPORATION.

11 (2) THE GOVERNING BODY OF A MUNICIPAL CORPORATION
12 SHALL HOLD A PUBLIC HEARING BEFORE ADOPTING AN ORDINANCE OR
13 RESOLUTION UNDER THIS SECTION.

14 (3) A MUNICIPAL CORPORATION MAY NOT IMPOSE A BUILDING
15 EXCISE TAX IF THE MUNICIPAL CORPORATION IMPOSES ANY TYPE OF IMPACT
16 FEE.

17 (B) AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SECTION
18 SHALL SPECIFY THE:

19 (1) TYPES OF BUILDING CONSTRUCTION SUBJECT TO THE
20 BUILDING EXCISE TAX;

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

22 (3) TAX RATES.

23 (C) THE BUILDING EXCISE TAX SHALL BE ASSESSED ON AN APPLICANT
24 FOR A BUILDING PERMIT AT THE TIME OF THE ISSUANCE OF A BUILDING
25 PERMIT.

26 (D) (1) A MUNICIPAL CORPORATION MAY IMPOSE DIFFERENT RATES
27 OF THE BUILDING EXCISE TAX ON DIFFERENT TYPES OF BUILDING
28 CONSTRUCTION SUBJECT TO THE BUILDING EXCISE TAX.

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

4 **(E) A MUNICIPAL CORPORATION MAY PROVIDE FOR TAX CREDITS**
5 **AGAINST AND EXEMPTIONS FROM THE BUILDING EXCISE TAX.**

6 **(F) (1) THE REVENUES FROM THE BUILDING EXCISE TAX SHALL BE**
7 **DEPOSITED INTO A SPECIAL FUND.**

8 **(2) THE SPECIAL FUND MAY ONLY BE USED FOR CAPITAL COSTS**
9 **FOR PUBLIC INFRASTRUCTURE TO SUPPORT COMMUNITY GROWTH AND**
10 **DEVELOPMENT, INCLUDING, BUT NOT LIMITED TO:**

11 **(I) STREETS, ROADS, BRIDGES, AND RELATED**
12 **INFRASTRUCTURE;**

13 **(II) PARKS AND RECREATIONAL FACILITIES;**

14 **(III) STORM DRAIN FACILITIES;**

15 **(IV) WATER AND WASTEWATER TREATMENT FACILITIES;**

16 **(V) WATER AND WASTEWATER MAINTENANCE AND**
17 **RELATED INFRASTRUCTURE;**

18 **(VI) EMERGENCY SERVICES; AND**

19 **(VII) OTHER MUNICIPAL FACILITIES.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2007.