

HOUSE BILL 663

Q7
HB 523/07 – W&M

8lr2590

By: **Delegates Barve, Gilchrist, and Simmons**
Introduced and read first time: February 1, 2008
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 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 calculate and
11 assess the tax, and the tax rates; authorizing a municipal corporation to impose
12 different rates of the building excise tax on different types of building
13 construction subject to the tax; requiring that the building excise tax be
14 assessed on an applicant for a building permit at the time of the issuance of the
15 building permit; requiring that the tax rates relate to the development or
16 growth-related infrastructure needs in the municipal corporation; authorizing a
17 municipal corporation to provide for tax credits against and exemptions from
18 the building excise tax; requiring that the revenues from the building excise tax
19 be deposited in a special fund; providing that the revenues from the building
20 excise tax may only be used for certain capital 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
26 Annotated Code of Maryland
27 (2005 Replacement Volume and 2007 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article 23A – Corporations – Municipal**

2 **8A.**

3 (A) (1) **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A**
4 **MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A**
5 **BUILDING EXCISE TAX ON ANY BUILDING CONSTRUCTION WITHIN THE**
6 **MUNICIPAL CORPORATION.**

7 (2) **THE GOVERNING BODY OF A MUNICIPAL CORPORATION**
8 **SHALL HOLD A PUBLIC HEARING BEFORE ADOPTING AN ORDINANCE OR**
9 **RESOLUTION UNDER THIS SECTION.**

10 (3) **A MUNICIPAL CORPORATION MAY NOT IMPOSE A BUILDING**
11 **EXCISE TAX IF THE MUNICIPAL CORPORATION IMPOSES ANY TYPE OF IMPACT**
12 **FEE.**

13 (B) **AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SECTION**
14 **SHALL SPECIFY:**

15 (1) **THE TYPES OF BUILDING CONSTRUCTION SUBJECT TO THE**
16 **BUILDING EXCISE TAX;**

17 (2) **THE CRITERIA AND FORMULAS USED TO CALCULATE AND**
18 **ASSESS THE TAX; AND**

19 (3) **THE TAX RATES.**

20 (C) **THE BUILDING EXCISE TAX SHALL BE ASSESSED ON AN APPLICANT**
21 **FOR A BUILDING PERMIT AT THE TIME OF THE ISSUANCE OF A BUILDING**
22 **PERMIT.**

23 (D) (1) **A MUNICIPAL CORPORATION MAY IMPOSE DIFFERENT RATES**
24 **OF THE BUILDING EXCISE TAX ON DIFFERENT TYPES OF BUILDING**
25 **CONSTRUCTION SUBJECT TO THE BUILDING EXCISE TAX.**

26 (2) **THE TAX RATES IMPOSED SHALL RELATE TO THE**
27 **DEVELOPMENT OR GROWTH-RELATED INFRASTRUCTURE NEEDS IN THE**
28 **MUNICIPAL CORPORATION.**

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

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

3 **(2) THE SPECIAL FUND MAY ONLY BE USED FOR CAPITAL COSTS**
4 **FOR PUBLIC INFRASTRUCTURE TO SUPPORT COMMUNITY GROWTH AND**
5 **DEVELOPMENT, INCLUDING:**

6 **(I) STREETS, ROADS, BRIDGES, AND RELATED**
7 **INFRASTRUCTURE;**

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

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

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

11 **(V) WATER AND WASTEWATER MAINTENANCE AND**
12 **RELATED INFRASTRUCTURE;**

13 **(VI) EMERGENCY SERVICES;**

14 **(VII) DEBT REDUCTION RELATED TO EXPENDITURES FOR**
15 **CAPITAL IMPROVEMENTS; AND**

16 **(VIII) OTHER MUNICIPAL FACILITIES.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2008.