

HOUSE BILL 1115

Q8

8lr1821

By: **Washington County Delegation**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Washington County - Building Excise Tax**

3 FOR the purpose of altering the building excise tax that the Board of County
4 Commissioners for Washington County is authorized to impose for certain
5 construction in Washington County; altering the criteria that must be met for
6 the County Commissioners to impose a building excise tax for certain types of
7 construction in Washington County; repealing certain limitations for imposing a
8 building excise tax in Washington County; repealing certain exemptions under
9 the Washington County building excise tax; repealing certain authority for the
10 County Commissioners to provide certain exemptions from the building excise
11 tax; repealing certain building excise tax credits in Washington County; and
12 generally relating to the Washington County building excise tax.

13 BY repealing and reenacting, with amendments,
14 The Public Local Laws of Washington County
15 Section 2-701(b), (f), (h), and (i)
16 Article 22 - Public Local Laws of Maryland
17 (2007 Edition, as amended)

18 BY repealing
19 The Public Local Laws of Washington County
20 Section 2-701(b-1) and (g)
21 Article 22 - Public Local Laws of Maryland
22 (2007 Edition, as amended)

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

25 **Article 22 - Washington County**

26 2-701.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (i) Types of building construction subject to the building excise
3 tax; and

4 (ii) Tax rates.

5 (2) (i) [For nonresidential building types, the] **THE** County
6 Commissioners may impose a building excise tax not to exceed \$5 per square foot.

7 (ii) The County Commissioners may impose different rates [or
8 waive the building excise tax] for different [nonresidential] building types and uses.

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

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

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

17 (ii) The County Commissioners may impose a building excise
18 tax for single-family residential units and multifamily residential units developed in a
19 subdivision described under subparagraph (i) of this paragraph that does not exceed
20 twice the building excise tax set under paragraph [(3) or (4)] **(2)** of this subsection, if
21 the development of the subdivision:

22 1. Is in a school district where a school is at or above
23 [85%] **90%** of the state rated school capacity;

24 2. Causes the roads or intersection within 1 centerline
25 mile in any direction of any new street connecting the subdivision to be lower than a
26 level of service D; or

27 3. Causes the intersections outside of the urban and
28 town growth areas to be lower than a level of service C.

29 [(b-1) For fiscal year 2008 only:

30 (1) The limitations on the building excise tax under subsections (b)(2),
31 (3), (4), and (5) of this section do not apply; and

32 (2) Any excise tax imposed by the County Commissioners:

1 (i) May be based on the square footage of construction; and

2 (ii) May be imposed based on increasing graduated rates for
3 increased square footage of construction.]

4 (f) [(1)] The building excise tax does not apply to construction intended to
5 be actively used for farm or agricultural use so long as the construction continues to be
6 actively used for farm or agricultural use.

7 [(2) (i) Except as provided in subparagraph (ii) of this paragraph,
8 the building excise tax does not apply to the first 50,000 square feet of nonresidential
9 addition construction.

10 (ii) The exemption under subparagraph (i) of this paragraph
11 may not apply more than once to the same building in any 5-year period.

12 (3) The County Commissioners may provide for additional exemptions
13 to the building excise tax, including individual exemptions for specific construction
14 projects on request.]

15 [(g) (1) (i) The County Commissioners by ordinance shall grant a
16 building excise tax credit against the Washington County building excise tax imposed
17 on single-family residential units and multifamily residential units that are developed
18 as workforce housing.

19 (ii) The County Commissioners by ordinance shall define
20 workforce housing based on the average family median income in Washington County.

21 (2) The County Commissioners shall provide, by law, for:

22 (i) The amount and duration of the building excise tax credit
23 under this section; and

24 (ii) Any other provisions necessary to carry out the building
25 excise tax credit under this subsection.

26 (3) (i) A municipal corporation within Washington County may
27 grant a building excise tax credit against the Washington County building excise tax
28 imposed on single-family residential units and multifamily residential units that are
29 developed within the municipal corporation as workforce housing.

30 (ii) The amount of the building excise tax credit under this
31 paragraph may not exceed the amount retained under subsection (d)(2)(ii)2 of this
32 section and shall be offset against that amount.

1 (iii) The duration of the building excise tax credit and any other
2 provisions necessary to carry out the building excise tax credit shall be in accordance
3 with any ordinance passed by the County Commissioners under paragraph (2) of this
4 subsection.]

5 [(h)] (G) (1) On or before September 30 of each year, each municipal
6 corporation that retains revenues under subsection (d)(2) of this section shall report
7 annually to the County Commissioners:

8 (i) The amount of revenues the municipal corporation received
9 and the number of single-family residential units and multifamily residential units
10 that generated these revenues;

11 (ii) The amount of revenues remitted to the County
12 Commissioners and the amount retained by the municipal corporation; and

13 (iii) A detailed accounting of how the revenues that were
14 retained by the municipal corporation were distributed among the acceptable uses
15 specified in subsection (d)(2)(iii) of this section and the specific projects for which the
16 revenues were used.

17 (2) The report prepared by each municipal corporation shall be based
18 on the fiscal year ending on June 30 of the year the report is submitted.

19 [(i)] (H) (1) On or before December 31 of each year, the County
20 Commissioners shall:

21 (i) Report to the members of the Washington County legislative
22 delegation:

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

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

30 3. The total number of requests for individual
31 exemptions from the building excise tax under subsection (f)(2) of this section, the
32 number of exemption requests denied, and for each project for which an individual
33 exemption is granted, the name of the owner or developer of the project and the name,
34 address, and description of the project; and

35 (ii) Submit to members of the Washington County legislative
36 delegation[:

1 1. The] **THE** report prepared by each municipal
2 corporation under subsection [(h)] (**G**) of this section[; and

3 2. A report on the status of the building excise tax credit
4 provided under subsection (f) of this section].

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

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