

HOUSE BILL 1115

Q8

8lr1821

By: **Washington County Delegation**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2008

CHAPTER _____

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~~ altering certain limitations for
8 imposing a building excise tax in Washington County; repealing certain
9 exemptions under the Washington County building excise tax; repealing certain
10 authority for the County Commissioners to provide certain exemptions from the
11 building excise tax; repealing certain building excise tax credits in Washington
12 County; altering certain reporting requirements for the County Commissioners;
13 and generally relating to the Washington County building excise tax.

14 BY repealing and reenacting, with amendments,
15 The Public Local Laws of Washington County
16 Section 2-701(b), (f), (h), and (i)
17 Article 22 – Public Local Laws of Maryland
18 (2007 Edition, as amended)

19 BY repealing
20 The Public Local Laws of Washington County
21 Section 2-701(b-1) and (g)
22 Article 22 – Public Local Laws of Maryland
23 (2007 Edition, as amended)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article 22 – Washington County**

4 2–701.

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

6 (i) Types of building construction subject to the building excise
7 tax; and

8 (ii) Tax rates.

9 (2) (i) ~~For nonresidential **RETAIL** building types, the~~ ~~THE~~
10 County Commissioners may impose a building excise tax not to exceed ~~\$5~~ **\$4** per
11 square foot.

12 **(II) FOR NONRESIDENTIAL NONRETAIL BUILDING TYPES,**
13 **THE COUNTY COMMISSIONERS MAY IMPOSE A BUILDING EXCISE TAX NOT TO**
14 **EXCEED \$1.50 PER SQUARE FOOT.**

15 ~~(ii)~~ **(3)** The County Commissioners may impose different
16 rates [or waive the building excise tax] for different [nonresidential] building types
17 and uses.

18 ~~(3)~~ **(4)** ~~Except as provided in paragraph (5) of this subsection, for~~
19 ~~single-family~~ residential units, the County Commissioners may impose a building
20 excise tax not to exceed ~~\$13,000 per unit~~ **\$4.50 PER SQUARE FOOT.**

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

24 (5) ~~(i)~~ ~~This~~ **FOR ANY FISCAL YEAR, THIS** paragraph applies to the
25 development of a single subdivision ~~that has more than 25 residential units~~ **WHERE**
26 **THE WASHINGTON COUNTY DEPARTMENT OF PERMITS AND INSPECTIONS HAS**
27 **ISSUED MORE THAN 25 BUILDING PERMITS FOR NEW RESIDENTIAL UNITS IN**
28 **THAT FISCAL YEAR.**

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

1 1. Is in a school district where a school is at or above
2 ~~[85%]~~ **90%** of the state rated school capacity;

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

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

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

9 (1) The limitations on the building excise tax under subsections (b)(2),
10 (3), (4), and (5) of this section do not apply; and

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

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

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

15 (f) [(1)] The building excise tax does not apply to construction intended to
16 be 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) (i) Except as provided in subparagraph (ii) of this paragraph,
19 the building excise tax does not apply to the first 50,000 square feet of nonresidential
20 addition construction.

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

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

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

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

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

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

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

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

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

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

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

19 (i) The amount of revenues the municipal corporation received
20 and the number of single-family residential units and multifamily residential units
21 that generated these revenues;

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

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

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

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

32 (i) Report to the members of the Washington County legislative
33 delegation:

34 1. The amount of revenues by school district that the
35 County Commissioners received from nonresidential building types, ~~single-family~~

1 ~~residential units, and multifamily~~ **AND** residential units, and the number and type of
2 units that generated these revenues; **AND**

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

6 ~~3. The total number of requests for individual~~
7 ~~exemptions from the building excise tax under subsection (f)(2) of this section, the~~
8 ~~number of exemption requests denied, and for each project for which an individual~~
9 ~~exemption is granted, the name of the owner or developer of the project and the name,~~
10 ~~address, and description of the project; and~~

11 (ii) Submit to members of the Washington County legislative
12 delegation[:

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.