

CHAPTER 533

(House Bill 1115)

AN ACT concerning

Washington County - Building Excise Tax

FOR the purpose of altering the building excise tax that the Board of County Commissioners for Washington County is authorized to impose for certain construction in Washington County; ~~altering the criteria that must be met for the County Commissioners to impose a building excise tax for certain types of construction in Washington County; repealing~~ altering certain limitations for imposing a building excise tax in Washington County; repealing certain exemptions under the Washington County building excise tax; repealing certain authority for the County Commissioners to provide certain exemptions from the building excise tax; repealing certain building excise tax credits in Washington County; altering certain reporting requirements for the County Commissioners; and generally relating to the Washington County building excise tax.

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

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

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

Article 22 - Washington County

2-701.

- (b) (1) The County Commissioners shall specify in the ordinance the:
- (i) Types of building construction subject to the building excise tax; and
 - (ii) Tax rates.

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

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

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

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

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

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

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

1. Is in a school district where a school is at or above [85%] **90%** of the state rated school capacity;
2. Causes the roads or intersection within 1 centerline mile in any direction of any new street connecting the subdivision to be lower than a level of service D; or
3. Causes the intersections outside of the urban and town growth areas to be lower than a level of service C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~3. The total number of requests for individual exemptions from the building excise tax under subsection (f)(2) of this section, the number of exemption requests denied, and for each project for which an individual~~

~~exemption is granted, the name of the owner or developer of the project and the name, address, and description of the project; and~~

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

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

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

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

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

Approved by the Governor, May 13, 2008.