

SENATE BILL 157

Q8

11r0919

By: **Senators Colburn and Pipkin**

Introduced and read first time: January 24, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Code Home Rule Counties – Development Excise Tax for School Construction**
3 **– Applicability**

4 FOR the purpose of clarifying that the development excise tax that a code home rule
5 county is authorized to impose applies to new residential units including
6 apartments and condominiums; providing that the development excise tax is
7 imposed on a multifamily residential project when the building permit is issued
8 for the residential units; defining a certain term; and generally relating to the
9 authority of code home rule counties to impose a development excise tax.

10 BY repealing and reenacting, with amendments,
11 Article 25B – Home Rule for Code Counties
12 Section 13F
13 Annotated Code of Maryland
14 (2005 Replacement Volume and 2010 Supplement)

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

17 **Article 25B – Home Rule for Code Counties**

18 13F.

19 (a) **IN THIS SECTION, “NEW RESIDENTIAL UNIT” INCLUDES AN**
20 **APARTMENT, CONDOMINIUM, AND SUBDIVISION LOT.**

21 (b) (1) The county commissioners of a code county, by public local law,
22 may impose a development excise tax when a [subdivision lot] **NEW RESIDENTIAL**
23 **UNIT** is initially sold or transferred, for financing, in whole or in part, the capital costs
24 of additional or expanded public school facilities or improvements.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (i) Before passing a public local law imposing a development
2 excise tax or altering the amount of the tax, the county commissioners shall hold a
3 public hearing.

4 (ii) Notice of the hearing shall be published in at least one
5 newspaper of general circulation in the county not less than 3 or more than 14 days
6 before the hearing.

7 (iii) The notice shall state the subject of the hearing and the time
8 and place that the hearing will occur.

9 (3) The county commissioners shall specify and the notice shall state
10 the amount of the tax and the time during the subdivision process that the tax shall be
11 paid.

12 (4) Except as provided in paragraph (6) of this subsection, a
13 development excise tax imposed under this section may not exceed \$2,000 per lot **OR**
14 **UNIT**.

15 (5) A development excise tax may not be imposed under this section,
16 in a county that imposes a development impact fee.

17 (6) A development excise tax imposed under this section by a code
18 county in the Eastern Shore class may not exceed \$5,000 per lot **OR UNIT**.

19 **(7) THE DEVELOPMENT EXCISE TAX IMPOSED UNDER THIS**
20 **SECTION IS IMPOSED ON A MULTIFAMILY RESIDENTIAL BUILDING PROJECT**
21 **WHEN A BUILDING PERMIT IS ISSUED FOR THE RESIDENTIAL UNITS.**

22 **[(b)] (C)** (1) The county commissioners shall deposit development excise
23 taxes in an account known as the “educational facilities improvement fund”.

24 (2) Money in the educational facilities improvement fund may only be
25 used to pay for capital projects, or for debt incurred for capital projects, for additional
26 or expanded public school facilities or improvements.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2011.