

Chapter 491

(House Bill 135)

AN ACT concerning

Charles County – School Construction Excise Tax Rates

FOR the purpose of authorizing the County Commissioners of Charles County to alter the school construction excise tax base rates on certain types of dwellings in certain fiscal years in a certain manner; providing that the school construction excise tax rates may not increase in certain fiscal years by more than the percentage change in the average statewide school building cost as calculated by the Interagency Committee on School Construction; and generally relating to the Charles County school construction excise tax rates.

BY repealing and reenacting, with amendments,

Article – Local Government
Section 20–804
Annotated Code of Maryland
(2013 Volume and 2014 Supplement)

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

Article – Local Government

20–804.

(a) (1) In this section the following words have the meanings indicated.

(2) “Dwelling type” means a single family detached home, town house, or multifamily housing unit.

(3) “New residential development” means the development of land that results in the issuance of a use and occupancy permit for a residential dwelling unit.

(4) “New school capacity construction bonds” means 10–year bonds issued by the County Commissioners of Charles County under § 19–616 of this article.

(b) (1) By local law, the County Commissioners of Charles County may impose a fair share school construction excise tax against the owner of real property that is improved by new residential development.

(2) Before enacting a local law under this section, the county commissioners shall hold a public hearing and provide reasonable notice of the hearing.

(c) (1) (i) For fiscal year 2003, the tax may not exceed:

1. for a single-family detached home, \$9,700;
2. for a town house, \$9,200; and
3. for a multifamily housing unit, \$7,000.

(ii) For [each] fiscal year [after fiscal year 2003] **2004 THROUGH FISCAL YEAR 2015**, the tax may not exceed the limits set forth in subparagraph (i) of this paragraph altered by the same percentage as the change in the producer price index for the materials and components for construction, as reported by the United States Department of Labor, for the fiscal year preceding the year for which the amount is being calculated.

(III) THE COUNTY COMMISSIONERS MAY ALTER THE BASE TAX RATES FOR EACH DWELLING TYPE FOR FISCAL YEAR 2016 AND FOR EVERY FOURTH FISCAL YEAR THEREAFTER TO REFLECT THE NUMBER OF STUDENTS GENERATED BY EACH DWELLING TYPE AND THE COST OF SCHOOL CONSTRUCTION IN THE COUNTY.

(IV) FOR EACH FISCAL YEAR AFTER FISCAL YEAR 2016 IN WHICH THE BASE TAX RATES ARE NOT ADJUSTED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE TAX RATES MAY NOT EXCEED THE RATES IMPOSED IN THE PRECEDING FISCAL YEAR ALTERED BY THE SAME PERCENTAGE AS THE CHANGE IN THE AVERAGE STATEWIDE PER-SQUARE-FOOT SCHOOL BUILDING COST AS CALCULATED BY THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION IN THE CALENDAR YEAR PRECEDING THE YEAR FOR WHICH THE AMOUNT IS BEING CALCULATED.

(2) Before setting the rate of the tax for each fiscal year, the County Commissioners of Charles County shall conduct a study to determine:

(i) the current amount of total costs incurred to construct new capacity for public elementary, middle, and high school facilities in the county, including:

1. costs for land acquisition, architectural and engineering design, infrastructure, new classrooms, equipment, interest on bond principal, and bond issuance; and
2. an amount equal to the total square footage of new public elementary, middle, and high school facilities in the county multiplied by the State square foot construction allowance, less the State funding share; and

(ii) the current average number of students in the county by dwelling type.

(d) (1) The tax:

(i) shall be collected and secured in the same manner as general ad valorem taxes unless otherwise provided by local law; and

(ii) is subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as provided for general ad valorem taxes.

(2) (i) The tax shall be collected annually over a period of 10 years at level amortized payments of principal and interest.

(ii) The rate of interest payable by a property owner shall be set at the rate of interest paid by the county on the new school capacity construction bonds issued in the first year the tax is imposed on that property owner.

(3) The tax shall constitute a lien on all taxable real or personal property of the taxpayer for a period of 10 years or until the lien is satisfied by repayment.

(4) Prior to the sale or transfer of real property in Charles County that is improved by new residential development, the seller or transferor shall provide notice to the buyer or transferee that includes:

(i) a statement that the tax may be imposed on the property; and

(ii) the amount of the tax for the dwelling type on the property.

(e) The revenues from the tax shall be used to pay the principal and interest on the new school capacity construction bonds as they become due.

(f) (1) On or before August 1 each year, the County Commissioners of Charles County shall report to the General Assembly, subject to § 2-1246 of the State Government Article, covering the preceding fiscal year.

(2) The report shall include:

(i) the amount of the tax set by the county commissioners for each dwelling type;

(ii) the amount of proceeds derived from the issuance and sale of the county's new school capacity construction bonds;

(iii) the number of parcels of real property improved by new residential development in Charles County; and

(iv) the number of square feet of new public school capacity approved for construction in Charles County by the Interagency Committee on School Construction.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2015.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2015.