

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Commissioners of St. Mary's County will hold a Public Hearing on ***Tuesday March 10, 2026 at 6:30 p.m.*** in the Chesapeake Building located at 41770 Baldrige Street in Leonardtown, Maryland to consider public input on the proposed amendments to the St. Mary's County Building Excise Tax Ordinance. Copies of the proposed amendments to the St. Mary's County Building Excise Tax Ordinance are available in the Finance Department and online at: <https://www.stmaryscountymd.gov/publichearings/>

Citizens are encouraged to attend and participate in the public hearing. Those wishing to address the Commissioners may participate in-person, via email or written correspondence. The public hearing may be viewed on SMCG Channel 95 or the SMCG YouTube Channel.

In lieu of appearance, comments may be submitted by:

- a.) Email: csmc@stmaryscountymd.gov
- b.) US Mail: PO Box 653 Leonardtown, Maryland 20650

All submissions will be considered by the Commissioners at the Public Hearing and/or seven (7) days following the Public Hearing.

Public Hearing Guidelines are subject to change.

Appropriate accommodations for individuals with special needs will be provided upon request. In order to meet these requirements, we respectfully ask for one week's prior notice. Please contact the County Commissioners Office at 301-475-4200, Ext. 1340. Proceedings are televised live and/or recorded for later broadcast on television. All content of these proceedings is subject to disclosure under the Maryland Public Information Act. Photographic and electronic audio and visual broadcasting and recording devices are used during the Commissioners' meetings. These are public meetings and attendance at these meetings automatically grants St. Mary's County Government permission to broadcast your audio and visual image.

By: Buffy Giddens, County Attorney

Run 2/20 and 2/27

**T. MARY'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY ATTORNEY**

*Buffy Giddens, County Attorney
John Sterling Houser, Deputy County Attorney
Zach Tiblin, Assistant County Attorney*



Commissioners of St. Mary's County

James R. Guy, President
Michael R. Alderson, Jr., Commissioner
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Scott Ostrow, Commissioner

MEMORANDUM

To: Commissioners of St. Mary's County

Cc: David Weiskopf, County Administrator
David Yingling, Deputy County Administrator
Vanetta VanCleave, Director of Finance
Jessica Andritz, Director of Land Use and Growth Management

From: Buffy Giddens, County Attorney

Date: February 10, 2026

Re: Building Excise Tax – Proposed Amendments

I. Purpose

The purpose of this presentation is to request that the Commissioners authorize a public hearing to consider targeted amendments to the Building Excise Tax Ordinance. The amendments are clarifying in nature. They are designed to ensure that the ordinance functions as intended by the General Assembly: as a uniform countywide revenue measure that is administered fairly, consistently, and transparently throughout St. Mary's County.

II. Background

In 2021, the Maryland General Assembly enacted HB 528 (Chapter 589), repealing the prior impact fee structure and expressly authorizing the Commissioners to impose a countywide building excise tax. That authority is codified at § 20-807 of the Local Government Article. Acting pursuant to that grant of authority, the Commissioners enacted the Building Excise Tax Ordinance in 2023, effective July 1, 2023.

The policy foundation of the excise tax is well established: new development should bear a fair share of the public costs it generates. Schools, roads, parks, and public safety infrastructure are not abstract budget lines; they are real capital systems that must expand to accommodate growth. The excise tax ensures that growth contributes to the infrastructure it relies upon rather than shifting those costs to existing residents.

Under Maryland law, county revenue legislation enacted pursuant to Title 20 applies within incorporated municipalities unless the General Assembly provides otherwise. Section 4-111(c)(2) of the Local Government Article confirms that county tax legislation, when authorized by the General Assembly, applies throughout the county, including municipalities. The Building Excise Tax falls squarely within that framework.

The proposed amendments do not create new authority and do not expand the tax. Instead, they clarify geographic application, close administrative gaps, and align the ordinance with the practical realities of permitting authority within St. Mary's County. The amendments strengthen enforceability and fairness while preserving the substance and intent of the original ordinance.

III. Summary of Substantive Changes

The proposed amendments are structural refinements that promote clarity, uniformity, and administrability. They do not alter tax rates or policy goals.

1. Express Countywide Application

The amendment expressly states that the tax applies in St. Mary's County, including within municipalities. The existing ordinance imposed the tax countywide but did not state this explicitly. Clarifying language eliminates ambiguity and ensures that similarly situated development is treated the same regardless of municipal boundaries.

Uniform taxation is not merely an administrative preference; it is a matter of fairness. Development in one jurisdiction draws upon the same regional infrastructure systems as development in another. The amendment affirms equal treatment across the County.

2. Administrative Definitions

New definitions (including Municipality, Permitting Authority, Director, and Certificate of Occupancy) provide the administrative framework necessary for consistent cross-jurisdictional operation. These definitions recognize that permitting authority is exercised by different governmental entities while maintaining a single County tax structure.

This approach respects municipal permitting roles while preserving uniform County fiscal policy.

3. Timing of Payment

Shifting payment from building permit issuance to issuance of a Certificate of Occupancy aligns tax collection with actual occupancy and use. This reduces refund disputes, reflects the economic reality of completed development, and creates a single, predictable collection point regardless of permitting pathway.

The change improves administrative efficiency without increasing tax burden.

4. Municipal Collection and Remittance

The amendment establishes a clear process when a municipality issues a Certificate of Occupancy: the municipality collects the tax and remits it to the County. This closes a practical enforcement gap in the prior ordinance and protects County fiscal integrity while maintaining local permitting authority.

The structure is cooperative, not intrusive.

5. Conforming Revisions

Refunds, exemptions, and effective date provisions are updated to match the Certificate of Occupancy framework. These revisions ensure internal consistency and prevent unintended loopholes.

IV. What the Amendment Does Not Do

The amendment does not:

- 1.) change tax rates
- 2.) alter allocation formulas
- 3.) expand policy scope
- 4.) impose new categories of taxation
- 5.) modify the credit structure

The excise tax remains the same tax. The amendment clarifies administration so the ordinance functions as originally intended.

V. Public Interest Considerations

Growth is a regional phenomenon. Infrastructure systems serve the County as a whole. When development occurs without uniform contribution to shared infrastructure, the burden shifts to existing taxpayers. The amendment safeguards against that inequity.

Clarifying the ordinance now prevents prolonged uncertainty, inconsistent enforcement, and avoidable disputes. It promotes transparency, predictability, and equal treatment - all hallmarks of sound public finance.

VI. Request

Legal respectfully requests that the Commissioners determine whether to hold a public hearing to consider the proposed amendments. If authorized, Legal has tentatively cleared the date of March 10, 2026 for the hearing.

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

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BUILDING EXCISE TAX ORDINANCE

TO AMEND THE BUILDING EXCISE TAX ORDINANCE ESTABLISH A BUILDING EXCISE TAX IN ST. MARY'S COUNTY AND TO REPEAL THE DEVELOPMENT IMPACT FEES LOCATED IN CHAPTER §§ 223-4 THROUGH 223-4.6 OF THE CODE OF ST. MARY'S COUNTY, MARYLAND

WHEREAS, during the 2021 Regular Session of the Maryland General Assembly, House Bill 528 repealed the St. Mary's County impact fee, effective July 1, 2023, which had been codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland by the General Assembly of Maryland in § 20-807 of the Local Government Article of the Annotated Code of Maryland, the Commissioners may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland (hereinafter "County") by the General Assembly of Maryland in § 20-807 of the Local Government Article of the Annotated Code of Maryland, the County may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; -desire to impose a building excise tax on building construction in St. Mary's County; and

WHEREAS, on May 2, 2023, the County enacted Ordinance 2023-09, establishing a building excise tax effective July 1, 2023; and

WHEREAS, pursuant to the authority granted to the County by the General Assembly of Maryland in § 4-111(c)(2) of the Local Government Article of the Annotated Code of Maryland, the County desire to clarify that the building excise tax applies equally to all in St. Mary's County, including municipalities; and

WHEREAS, the County desire to shift the collection of taxes from building permit issuance to issuance of a Certificate of Occupancy; and

WHEREAS, a notice of a public hearing was advertised on ~~March 31, 2023~~February 20, 2026, and ~~April-February 277, 2026,~~3 in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on ~~April 18, 2023~~March 10, 2026, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's

Subject: ~~Finance—To repeal—amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary’s County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary’s County to Provide for the Establishment of a Building Excise Tax in St. Mary’s County~~

County, Maryland, ~~to impose a building excise tax on any building construction in St. Mary’s County;~~ and

NOW, THEREFORE, BE IT ORDAINED by the ~~e~~ Commissioners of St. Mary’s County, pursuant to §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that ~~there is at the Building Excise Tax Ordinance is amended as follows: as set forth herein which will be effective on July 1, 2023; and~~

~~BE IT FURTHER ORDAINED THAT any development impact fee or any other impact fee previously established by the Commissioners of St. Mary’s County are repealed, including Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary’s County.~~

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with § 20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary’s County, including within incorporated municipalities, there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in ~~this Chapter~~ § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of ~~Chapter~~ §§ 267-81 through 267-90 of the Code of St. Mary’s County only:

- A. *Applicant*. Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who seeks issuance of a Certificate of Occupancy change within St. Mary’s County, including any municipality applies for a building permit within St. Mary’s County.
- B. *Tax*. Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single--Family*. Single--Family means either: the meaning of “Dwelling, Single-family” under the St. Mary’s County Comprehensive Zoning Ordinance, or, if in a municipality, the

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

~~equivalent single-family residential dwelling use under the municipal zoning ordinance. shares the same meaning as “Dwelling, Single family” as defined in the St. Mary’s County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.~~

~~D. *Multi-family*. Multi-family means either: the meaning of “Dwelling, Multiple-family” under the shares the same meaning as “Dwelling, Multiple family” as defined in the St. Mary’s County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent multi-family residential dwelling use under the municipal zoning ordinance. Art. 9, Ch. 90.~~

~~E. *Municipality*. Municipality means any incorporated town or city located within St. Mary’s County, Maryland~~

~~F. *Permitting Authority*. Permitting Authority means the St. Mary’s County Department of Land Use and Growth Management, or, within a municipality, the municipal department or official authorized to issue Certificates of Occupancy.~~

~~G. *Director*. Director means the Director of Land Use and Growth Management or their designee, or, within a municipality, the municipal official designated by the municipality for purposes of administering this Article.~~

~~D.H. *Certificate of Occupancy*. Certificate of Occupancy means the permit, certificate, or other approval issued by the Permitting Authority authorizing a building or structure to be occupied or used for its intended purpose, and includes: final, temporary, conditional, partial, or any other approval however denominated.~~

Sec. 267-83. Amount of tax.

~~A. *Development Type*. For the purpose of administering this Ordinance, the final authority as to the appropriate category of development type for a building type rests with the Director, of Land Use and Growth Management or their designee.~~

~~A.~~

B. *Residential Development*. The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Subject: ~~Finance~~—~~To repeal/amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multi-family	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

C. ~~Non-Residential Development~~. The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NON-RESIDENTIAL DEVELOPMENT:

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

D. *Rate Adjustment*. The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the ~~Commissioners of St. Mary's County~~County.

E. *Mixed Use*. The total amount of the tax for a mixed-use building ~~or structure permit~~ shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.

F. *Change in Development Type*. ~~An applicant for~~For building construction that changes a property's development type from any type listed in § 267-83 to any other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:

1. A residential development type to a different residential development type, and
2. A non-residential development type to different non-residential development type, and
3. A residential development type to a non-residential development type, and
4. A non-residential development type to a residential development type.

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

Sec. 267-84. Payment of tax.

- A. An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued pay the building excise tax prior to the issuance of any Certificate of Occupancy for the building or structure. Payment shall be made payable to the St. Mary's County Government.
- B. For Certificates of Occupancy issued by St. Mary's County, the tax shall be collected by the County. For Certificates of Occupancy issued by a municipality, the tax shall be collected by the municipality prior to the issuance of the Certificate of Occupancy.
- C. All building excise tax revenues collected by a municipality pursuant to this Article shall be remitted to St. Mary's County in accordance with procedures established by the County.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

- A. If a building excise tax has been paid, and:
 - 1. A Certificate of Occupancy is not issued; or
 - 2. The applicant withdraws the request for a Certificate of Occupancy prior to issuance;then the applicant shall be entitled to a refund of the tax paid.
- B. The applicant shall apply for the refund within sixty (60) days of the date the Certificate of Occupancy was denied or withdrawn.
- C. The Permitting Authority may retain six percent (6%) of the tax collected to offset the administrative costs of collection and processing the refund. permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within 60 days of the expiration of the building permit. The County shall retain 6% of the tax collected to offset the costs of

Subject: ~~Finance—To repeal—amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

~~collection and refund.~~

Sec. 267-87. Credits.

~~For any building or structure for which a building permit was issued prior to July 1, 2023, and which is thereafter issued a Certificate of Occupancy, the building excise tax shall be deemed paid for the development type associated with the building, and no tax shall be due under this Article for that permit. For excise tax paid on any building or structure for which a building permit was issued between July 1, 2023, and the effective date of this Ordinance, the excise tax shall be deemed paid. residential and non-residential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.~~

Sec. 267-88. Exemptions.

~~A.~~ A. An excise tax is not required for ~~issuance~~ construction authorized by ~~of~~ a building permit issued for:

~~A.~~ 1. Construction of the first three (3) single family residential dwelling units on lots in a minor subdivision:

~~a.~~ a. Recorded after July 1, 2023; and

~~1.~~ b. Created from a parcel of record or a lot of record; and

~~2.~~ c. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

2. Replace, renovate, or alter a previously existing building, whether residential or non-residential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the change.

~~B.~~ B. An exemption granted under this section based on information provided at the time of the building permit application may be revoked if the Permitting Authority determines that the information was materially inaccurate or that the exemption criteria were not satisfied.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive ~~a building permit or change of use permit~~ Certificate of Occupancy on or after July 1, 2023, except that no building excise tax shall be due

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~~for any building or structure constructed pursuant to a building permit issued prior to July 1, 2023.~~
- A Certificate of Occupancy permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the Permitting Authority~~County~~.

Sec. 267-90. Severability.

~~If any word, phrase, clause, sentence, paragraph, or section of provision of this Chapter, or its the application to any person or circumstance of such to any entity or circumstance, is held declared invalid or unconstitutional by a court of competent jurisdiction, such the invalidity or unconstitutionality shall not affect any of the remaining provisions or applications of this Chapter. The provisions of this Chapter are declared to be severable and shall remain in full force and effect to the fullest extent permitted by law. words, phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.~~

Sec. 267-91. Title.

This Article XXXII of Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Subject: ~~Finance~~ ~~To repeal~~ ~~amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye: _____
Those voting Nay: _____
Those Abstaining: _____
Date of Adoption: _____
Effective Date: July 1, 2023

ATTEST:

COMMISSIONERS OF ST. MARY'S COUNTY

David A. Weiskopf
County Administrator

James R. Guy, Commissioner President

Michael R. Alderson, Jr., Commissioner

Approved as to form and legal sufficiency:

Eric Colvin, Commissioner

Buffy Giddens
~~Deputy~~ County Attorney _____

Michael L. Hewitt, Commissioner

Scott R. Ostrow, Commissioner

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

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BUILDING EXCISE TAX ORDINANCE

TO AMEND THE BUILDING EXCISE TAX ORDINANCE

WHEREAS, during the 2021 Regular Session of the Maryland General Assembly, House Bill 528 repealed the St. Mary's County impact fee, effective July 1, 2023, which had been codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland (hereinafter "County") by the General Assembly of Maryland in § 20-807 of the *Local Government Article* of the Annotated Code of Maryland, the County may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, on May 2, 2023, the County enacted Ordinance 2023-09, establishing a building excise tax effective July 1, 2023; and

WHEREAS, pursuant to the authority granted to the County by the General Assembly of Maryland in § 4-111(c)(2) of the *Local Government Article* of the Annotated Code of Maryland, the County desire to clarify that the building excise tax applies equally to all in St. Mary's County, including municipalities; and

WHEREAS, the County desire to shift the collection of taxes from building permit issuance to issuance of a Certificate of Occupancy; and

WHEREAS, a notice of a public hearing was advertised on February 20, 2026, and February 27, 2026, in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on March 10, 2026, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's County, Maryland; and

NOW, THEREFORE, BE IT ORDAINED by the County, pursuant to § 20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that the Building Excise Tax Ordinance is amended as follows:

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with § 20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary's County, including within incorporated municipalities, there is a building excise tax on all new building construction, and any construction resulting in a change in development type

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

as listed in § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of §§ 267-81 through 267-90 of the Code of St. Mary's County only:

- A. *Applicant*. Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who seeks issuance of a Certificate of Occupancy within St. Mary's County, including any municipality within St. Mary's County.
- B. *Tax*. Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single-Family*. Single-Family means either: the meaning of "Dwelling, Single-family" under the St. Mary's County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent single-family residential dwelling use under the municipal zoning ordinance.
- D. *Multi-family*. Multi-family means either: the meaning of "Dwelling, Multiple-family" under the St. Mary's County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent multi-family residential dwelling use under the municipal zoning ordinance.
- E. *Municipality*. Municipality means any incorporated town or city located within St. Mary's County, Maryland
- F. *Permitting Authority*. Permitting Authority means the St. Mary's County Department of Land Use and Growth Management, or, within a municipality, the municipal department or official authorized to issue Certificates of Occupancy.
- G. *Director*. Director means the Director of Land Use and Growth Management or their designee, or, within a municipality, the municipal official designated by the municipality for purposes of administering this Article.
- H. *Certificate of Occupancy*. Certificate of Occupancy means the permit, certificate, or other approval issued by the Permitting Authority authorizing a building or structure to be occupied or used for its intended purpose, and includes: final, temporary, conditional, partial, or any other approval however denominated.

Sec. 267-83. Amount of tax.

- A. *Development Type*. For the purpose of administrating this Ordinance, the final authority as to the appropriate category of development type for a building type rests with the Director.
- B. *Residential Development*. The tax on residential structures shall be based on the type of

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multi-family	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

C. *Nonresidential Development.* The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NONRESIDENTIAL DEVELOPMENT

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

D. *Rate Adjustment.* The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the County.

E. *Mixed Use.* The total amount of the tax for a mixed-use building or structure shall be the sum of the total residential tax per unit added to the total nonresidential tax per square foot.

F. *Change in Development Type.* For building construction that changes a property's development type from any type listed in § 267-83 to *any* other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:

1. A residential development type to a different residential development type, and
2. A non-residential development type to different non-residential development type, and
3. A residential development type to a non-residential development type, and
4. A non-residential development type to a residential development type.

Sec. 267-84. Payment of tax.

A. An applicant for new construction, or for construction that results in any change in the development type of a property shall pay the building excise tax prior to the issuance of any

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

Certificate of Occupancy for the building or structure.

- B. For Certificates of Occupancy issued by St. Mary's County, the tax shall be collected by the County. For Certificates of Occupancy issued by a municipality, the tax shall be collected by the municipality prior to the issuance of the Certificate of Occupancy.
- C. All building excise tax revenues collected by a municipality pursuant to this Article shall be remitted to St. Mary's County in accordance with procedures established by the County.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

- A. If a building excise tax has been paid, and:
 - 1. A Certificate of Occupancy is not issued; or
 - 2. The applicant withdraws the request for a Certificate of Occupancy prior to issuance; then the applicant shall be entitled to a refund of the tax paid.
- B. The applicant shall apply for the refund within sixty (60) days of the date the Certificate of Occupancy was denied or withdrawn.
- C. The Permitting Authority may retain six percent (6%) of the tax collected to offset the administrative costs of collection and processing the refund.

Sec. 267-87. Credits.

For any building or structure for which a building permit was issued prior to July 1, 2023, and which is thereafter issued a Certificate of Occupancy, the building excise tax shall be deemed paid for the development type associated with the building, and no tax shall be due under this Article for that permit. For excise tax paid on any building or structure for which a building permit was issued between July 1, 2023, and the effective date of this Ordinance, the excise tax shall be deemed paid.

Sec. 267-88. Exemptions.

- A. An excise tax is not required for construction authorized by a building permit issued for:
 - 1. Construction of the first three (3) single family residential dwelling units on lots in a minor subdivision:
 - a. Recorded after July 1, 2023; and

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

Page 5 of 6

- b. Created from a parcel of record or a lot of record; and
- c. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

2. Replace, renovate, or alter a previously existing building, whether residential or nonresidential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the change.

B. An exemption granted under this section based on information provided at the time of the building permit application may be revoked if the Permitting Authority determines that the information was materially inaccurate or that the exemption criteria were not satisfied.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a Certificate of Occupancy on or after July 1, 2023, except that no building excise tax shall be due for any building or structure constructed pursuant to a building permit issued prior to July 1, 2023. A Certificate of Occupancy shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the Permitting Authority.

Sec. 267-90. Severability.

If any provision of this Chapter, or its application to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions or applications of this Chapter. The provisions of this Chapter are declared to be severable and shall remain in full force and effect to the fullest extent permitted by law.

Sec. 267-91. Title.

This Article XXXII of Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye: _____
Those voting Nay: _____
Those Abstaining: _____
Date of Adoption: _____
Effective Date: _____

ATTEST:

COMMISSIONERS OF ST. MARY'S COUNTY

David A. Weiskopf
County Administrator

James R. Guy, Commissioner President

Michael R. Alderson, Jr., Commissioner

Approved as to form and legal
sufficiency:

Eric Colvin, Commissioner

Buffy Giddens
County Attorney

Michael L. Hewitt, Commissioner

Scott R. Ostrow, Commissioner

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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BUILDING EXCISE TAX ORDINANCE

TO ESTABLISH A BUILDING EXCISE TAX IN ST. MARY'S COUNTY AND TO REPEAL THE DEVELOPMENT IMPACT FEES LOCATED IN CHAPTER §§ 223-4 THROUGH 223-4.6 OF THE CODE OF ST. MARY'S COUNTY, MARYLAND

WHEREAS, pursuant to the 2021 Regular Session of Maryland General Assembly, House Bill 528 repeals the St. Mary's County impact fee effective July 1, 2023 which was codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland by the General Assembly of Maryland in §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, the Commissioners may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, the Commissioners of St. Mary's County desire to impose a building excise tax on building construction in St. Mary's County; and

WHEREAS, a notice of a public hearing was advertised on March 31, 2023 and April 7, 2023 in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on April 18, 2023, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's County, Maryland, to impose a building excise tax on any building construction in St. Mary's County; and

NOW, THEREFORE, BE IT ORDAINED by the Commissioners of St. Mary's County, pursuant to §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that there is a building excise tax as set forth herein which will be effective on July 1, 2023;

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary's County there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in this Chapter §267-83.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of Chapter §§267-81 through 267-90 of the Code of St. Mary's County only:

- A. Applicant.** Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who applies for a building permit with St. Mary's County.
- B. Tax.** Tax means the building excise tax, unless indicated otherwise by context.
- C. Single Family.** Single Family shares the same meaning as "Dwelling, Single-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.
- D. Multifamily.** Multifamily shares the same meaning as "Dwelling, Multiple-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.

Sec. 267-83. Amount of tax.

- A. Development Type.** The final authority as to the appropriate category of development type for a building type rests with the Director of Land Use and Growth Management or their designee.
- B. Residential Development.** The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single Family	\$3,066	\$1,687	\$1,056	\$888	\$6,697
Multifamily	\$1,165	\$719	\$725	\$609	\$3,218

- C. Non-Residential Development.** The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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NON-RESIDENTIAL DEVELOPMENT:

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

- D. Rate Adjustment.** The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the Commissioners of St. Mary's County.
- E. Mixed Use.** The total amount of the tax for a mixed-use building permit shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.
- F. Change in Development Type.** An applicant for building construction that changes a property's development type from any type listed in §267-83 to *any* other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:
 1. A residential development type to a different residential development type, and
 2. A non-residential development type to different non-residential development type, and
 3. A residential development type to a non-residential development type, and
 4. A non-residential development type to a residential development type.

Sec. 267-84. Payment of tax.

An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued. Payment shall be made payable to the St. Mary's County Government.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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If a building permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within 60 days of the expiration of the building permit. The County shall retain 6% of the tax collected to offset the costs of collection and refund.

Sec. 267-87. Credits.

For all building permits issued and residential and non-residential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.

Sec. 267-88. Exemptions.

An excise tax is not required for issuance of a building permit to:

- A. Construct the first three (3) single family residential dwelling units on lots in a minor subdivision:
 - 1. Recorded after July 1, 2023 and created from a parcel of record or a lot of record; and
 - 2. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

- B. Replace, renovate, or alter a previously existing building, whether residential or non-residential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the same.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a building permit or change of use permit on or after July 1, 2023. A permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the County.

Sec. 267-90. Severability.

If any word, phrase, clause, sentence, paragraph, or section of this chapter, or the application of such to any entity or circumstance, is declared invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall not affect any of the remaining words,

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.

Sec. 267-91. Title.

This Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye:	<u>3</u>
Those voting Nay:	<u>2</u>
Those Abstaining:	<u>0</u>
Date of Adoption:	<u>May 2, 2023</u>
Effective Date:	<u>July 1, 2023</u>

ATTEST:



 David A. Weiskopf
 County Administrator

COMMISSIONERS OF ST. MARY'S COUNTY



 James R. Guy, Commissioner President

Michael R. Alderson, Jr., Commissioner

NO

 Eric Colvin, Commissioner




 Michael D. Hewitt, Commissioner



 Scott R. Ostrow, Commissioner

Approved as to form and legal sufficiency:



 Buffy Giddens
 Deputy County Attorney

DOCUMENT VALIDATION

2023 05 07 02:39

LR - Government
Instrument 0.00
Agency Name: ST MARYS
CD COMMISSIONERS
Instrument List: Other
Describe Other:
ORDINANCE 2023-09
Ref: MM/JULIE CSMC
30-1B1

=====
Total: 0.00
05/05/2023 02:39
CC18-JR
#1721B751 CC0704 - St
Mary's
County/CC07.04.04 -
Register 04

Circuit Court for St. Mary's County
PO Box 676
41605 Courthouse Drive
Leonardtown, MD 20650
(301) 475-7844

ARTICLE XXXII. BUILDING EXCISE TAX¹

Sec. 267-81. Establishment of tax.

In accordance with § 20-807 of the Local Government Article of the Annotated Code of Maryland, in St. Mary's County there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of §§ 267-81 through 267-90 of the Code of St. Mary's County only:

- A. *Applicant.* Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who applies for a building permit with St. Mary's County.
- B. *Tax.* Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single-Family.* Single-Family shares the same meaning as "Dwelling, Single-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9. Ch. 90.
- D. *Multifamily.* Multifamily shares the same meaning as "Dwelling, Multiple-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.

Sec. 267-83. Amount of tax.

- A. *Development Type.* The final authority as to the appropriate category of development type for a building type rests with the Director of Land Use and Growth Management or their designee.
- B. *Residential Development.* The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Development Type By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multifamily	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

- C. *Nonresidential Development.* The tax on nonresidential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NONRESIDENTIAL DEVELOPMENT:

¹Adopted 5-2-2023 by Ord. No. 2023-09.

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

- D. *Rate Adjustment.* The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the Commissioners of St. Mary's County.
- E. *Mixed Use.* The total amount of the tax for a mixed-use building permit shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.
- F. *Change in Development Type.* An applicant for building construction that changes a property's development type from any type listed in § 267-83 to any other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:
1. A residential development type to a different residential development type, and
 2. A nonresidential development type to different nonresidential development type, and
 3. A residential development type to a nonresidential development type, and
 4. A nonresidential development type to a residential development type.

Sec. 267-84. Payment of tax.

An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued. Payment shall be made payable to the St. Mary's County Government.

Sec. 267-85. Appropriation of the building excise tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

If a building permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within sixty (60) days of the expiration of the building permit. The County shall retain six (6) percent of the tax collected to offset the costs of collection and refund.

Sec. 267-87. Credits.

For all building permits issued and residential and nonresidential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.

Sec. 267-88. Exemptions.

An excise tax is not required for issuance of a building permit to:

-
- A. Construct the first three (3) single-family residential dwelling units on lots in a minor subdivision:
 - 1. Recorded after July 1, 2023, and created from a parcel of record or a lot of record; and
 - 2. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.
 - B. Replace, renovate, or alter a previously existing building, whether residential or nonresidential. which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the same.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a building permit or change of use permit on or after July 1, 2023. A permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the County.

Sec. 267-90. Severability.

If any word, phrase, clause, sentence, paragraph, or section of this chapter, or the application of such to any entity or circumstance, is declared invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.

Sec. 267-91. Title.

This [Article XXXII of] Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Md. Local Government Code Ann. § 20-807

*** Current through the end of the 2025 Regular and 1st Special Sessions of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 20. Taxes and Development Impact Fees. (Subts. 1 — 9) > Subtitle 8. Development Excise Taxes. (§§ 20-801 — 20-807)

§ 20-807. Building excise tax on building construction — Application to certain types of building construction — Varying tax rates — Revenue proceeds.

- (a) By ordinance, the County Commissioners of St. Mary's County may impose a building excise tax on any building construction in St. Mary's County.
- (b) The County Commissioners of St. Mary's County shall specify in the ordinance the types of building construction that are subject to the tax.
- (c) The County Commissioners of St. Mary's County may impose different tax rates on different types of building construction.
- (d) The revenues from the tax:
 - (1) shall be deposited in the county's general fund; and
 - (2) may be used for any lawful purpose in the county.

History

2021, ch. 589, § 1.

Annotations

Notes

Editor's note. —

Pursuant to the 2021 enacting legislation which was enacted under Article II, § 17(c) of the Maryland Constitution on May 30, 2021, this section becomes effective on July 1, 2023.

Research References & Practice Aids

Hierarchy Notes:

Md. Local Government Code Ann

Md. Local Government Code Ann. § 4-111

*** Current through the end of the 2025 Regular and 1st Special Sessions of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division II. Municipalities. (Titles 4 — 8) > Title 4. In General. (Subts. 1 — 5) > Subtitle 1. Definitions; General Provisions. (§§ 4-101 — 4-111)

§ 4-111. Application of county legislation to municipalities.

- (a) In this section, “legislation” means any form of county or municipal legislative enactment, including a law, an ordinance, a resolution, or any action by which a county budget is adopted.
- (b) Except as provided in subsection (c) of this section, legislation enacted by a county does not apply in a municipality located in the county if the legislation:
- (1) by its terms, exempts the municipality;
 - (2) conflicts with legislation of the municipality enacted under a grant of legislative authority provided by public general law or the municipal charter; or
 - (3)
 - (i) relates to a subject on which a public general law or the municipal charter grants the municipality legislative authority; and
 - (ii) the municipality by ordinance or charter amendment:
 1. specifically exempts itself from the county legislation; or
 2. generally exempts itself from county legislation covered by the type of grant of authority to the municipality.
- (c) The following categories of county legislation, if within the scope of legislative powers granted to a county by the General Assembly, apply in all municipalities in the county:
- (1) county legislation made applicable to all municipalities in the county under a law enacted by the General Assembly;
 - (2) county revenue or tax legislation, subject to Title 16, Subtitle 5 and Title 20 of this article, the Tax - General Article, and the Tax - Property Article, or legislation adopting a county budget; and
 - (3) subject to subsection (e) of this section, county legislation that is enacted in accordance with county requirements for legislation that is to become effective immediately and for which the legislative body of the county:
 - (i) makes a specific finding based on evidence of record after a hearing held under item (ii) of this item that there will be significant adverse impact on the public health, safety, or welfare affecting residents of the county in unincorporated areas if the legislation does not apply in all municipalities in the county;
 - (ii) conducts a public hearing at which all municipalities in the county and any interested persons have an opportunity to be heard;
 - (iii)
 1. provides notice of the hearing by certified mail to all municipalities in the county at least 30 days before the hearing; and

2. publishes notice in a newspaper of general circulation in the county for 3 successive weeks, beginning at least 30 days before the hearing; and

(iv) enacts the county legislation by an affirmative vote of at least two-thirds of the authorized membership of the county legislative body.

(d)

(1) County legislation enacted in accordance with subsection (c)(3) of this section is subject to judicial review by the circuit court of the county, in accordance with the Maryland Rules governing appeals from administrative agencies, of:

(i) the finding made under subsection (c)(3)(i) of this section; and

(ii) the legislation's applicability to municipalities located in the county.

(2) An appeal under this subsection shall be filed within 30 days after the effective date of the county legislation.

(3) In a judicial proceeding under this subsection, the only issues that may be considered are whether the county legislative body:

(i) complied with the procedures of subsection (c)(3) of this section; and

(ii) had sufficient evidence from which a reasonable person could conclude that there will be a significant adverse impact on the public health, safety, or welfare affecting residents of the county in unincorporated areas if the county legislation does not apply in all municipalities in the county.

(4) The court shall decide the issues under paragraph (3) of this subsection without a jury.

(5) If a court reverses a legislative body's finding under subsection (c)(3)(i) of this section:

(i) the legislation shall continue to apply in unincorporated areas of the county; and

(ii) the applicability of the legislation in a municipality is governed by subsection (b) of this section.

(6) A county or municipality in the county may appeal the decision of a circuit court in a proceeding under this subsection to the Appellate Court of Maryland.

(e) County legislation enacted in accordance with subsection (c)(3) of this section does not apply, or becomes inapplicable, in a municipality that has enacted or enacts municipal legislation that:

(1) covers the same subject matter and furthers the same policies as the county legislation;

(2) is at least as restrictive as the county legislation; and

(3) includes provisions for enforcement.

(f)

(1) By ordinance, a municipality may request and authorize the county in which it is located to administer or enforce any municipal legislation.

(2) After a municipality enacts an ordinance under paragraph (1) of this subsection, a county may administer or enforce the municipal legislation on mutually agreed terms.

(g) The other provisions of this article are considered amended as provided in this section.

History

An. Code 1957, art. 23A, §§ 2B(a)-(d), (e)(2), 2C; 2013, ch. 119, § 2; 2021, ch. 82, § 7; ch. 83, § 7.

Annotations

Notes

Revisor's note. —

This section is new language derived without substantive change from former Art. 23A, §§ 2C and 2B(a) through (d) and (e)(2).

In subsection (b)(3)(ii) of this section, the former reference to an ordinance or amendment “having prospective or retrospective applicability, or both” is deleted as unnecessary because it is inclusive of every application.

In the introductory language of subsection (c) of this section, the former phrase “[n]otwithstanding the provisions of [subsection (b)(2) and (3)] of this section,” is deleted as surplusage.

In subsection (c)(1) of this section, the reference to county legislation “made applicable to all municipalities in the county under a law enacted by the General Assembly” is substituted for the former reference to county legislation “where a law enacted by the General Assembly so provides” for clarity.

In the introductory language of subsection (d)(3) of this section, the reference to issues “that may be considered” in a judicial proceeding is added for clarity.

In subsection (f) of this section, the former reference to “conditions” is deleted as included in the reference to “terms”.

In subsection (g) of this section, the former reference to “modified” is deleted as included in the reference to “amended”.

Former Art. 23A, § 2B(e)(1), which defined “county” to mean any county regardless of the form of government, is deleted in light of the definition of “county” in § 1-101 of this article.

The Local Government Article Review Committee notes, for consideration by the General Assembly, that the meaning and intent of subsection (g) of this section is unclear. The General Assembly may wish to clarify the meaning of this subsection or repeal it.

Defined terms:

“County” § 1-101

“Municipal charter” § 4-101

“Municipality” § 1-101

“Person” § 1-101

GENERAL REVISOR'S NOTE TO SUBTITLE

Former Art. 23A, § 5, which specified that if a provision or a certain application of a provision of Article 23A was held invalid, the remainder of the article and other applications would not be affected, is deleted as unnecessary in light of Art. 1, § 23, which states that statutes enacted after July 1, 1973, are severable unless the statute specifically provides that its provisions are not severable.

Limitation on application of charter county ordinances. —

The General Assembly may limit the application of charter county ordinances to municipal corporations in those counties without adopting a constitutional amendment to accomplish this purpose. 67 Md. Op. Att'y Gen. 254 (1982).

City of Laurel electrical code. —

The Prince George's County Board of Registration for Master Electricians and Electrical Contractors is legally authorized to hear appeals relating to the electrical code of the City of Laurel. 81 Md. Op. Att'y Gen. 133 (Sept. 3, 1996).

Research References & Practice Aids

University of Baltimore Law Review.

For note discussing county ordinance enacted pursuant to Express Powers Act as prevailing over ordinances enacted by municipalities within that county pursuant to municipal Express Powers Act, see 12 U. Balt. L. Rev. 191 (1982).

Hierarchy Notes:

Md. Local Government Code Ann

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**T. MARY'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY ATTORNEY**

*Buffy Giddens, County Attorney
John Sterling Houser, Deputy County Attorney
Zach Tiblin, Assistant County Attorney*



Commissioners of St. Mary's County

James R. Guy, President
Michael R. Alderson, Jr., Commissioner
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Scott Ostrow, Commissioner

MEMORANDUM

To: Commissioners of St. Mary's County

Cc: David Weiskopf, County Administrator
David Yingling, Deputy County Administrator
Vanetta VanCleave, Director of Finance
Jessica Andritz, Director of Land Use and Growth Management

From: Buffy Giddens, County Attorney

Date: February 10, 2026

Re: Building Excise Tax – Proposed Amendments

I. Purpose

The purpose of this presentation is to request that the Commissioners authorize a public hearing to consider targeted amendments to the Building Excise Tax Ordinance. The amendments are clarifying in nature. They are designed to ensure that the ordinance functions as intended by the General Assembly: as a uniform countywide revenue measure that is administered fairly, consistently, and transparently throughout St. Mary's County.

II. Background

In 2021, the Maryland General Assembly enacted HB 528 (Chapter 589), repealing the prior impact fee structure and expressly authorizing the Commissioners to impose a countywide building excise tax. That authority is codified at § 20-807 of the Local Government Article. Acting pursuant to that grant of authority, the Commissioners enacted the Building Excise Tax Ordinance in 2023, effective July 1, 2023.

The policy foundation of the excise tax is well established: new development should bear a fair share of the public costs it generates. Schools, roads, parks, and public safety infrastructure are not abstract budget lines; they are real capital systems that must expand to accommodate growth. The excise tax ensures that growth contributes to the infrastructure it relies upon rather than shifting those costs to existing residents.

Under Maryland law, county revenue legislation enacted pursuant to Title 20 applies within incorporated municipalities unless the General Assembly provides otherwise. Section 4-111(c)(2) of the Local Government Article confirms that county tax legislation, when authorized by the General Assembly, applies throughout the county, including municipalities. The Building Excise Tax falls squarely within that framework.

The proposed amendments do not create new authority and do not expand the tax. Instead, they clarify geographic application, close administrative gaps, and align the ordinance with the practical realities of permitting authority within St. Mary's County. The amendments strengthen enforceability and fairness while preserving the substance and intent of the original ordinance.

III. Summary of Substantive Changes

The proposed amendments are structural refinements that promote clarity, uniformity, and administrability. They do not alter tax rates or policy goals.

1. Express Countywide Application

The amendment expressly states that the tax applies in St. Mary's County, including within municipalities. The existing ordinance imposed the tax countywide but did not state this explicitly. Clarifying language eliminates ambiguity and ensures that similarly situated development is treated the same regardless of municipal boundaries.

Uniform taxation is not merely an administrative preference; it is a matter of fairness. Development in one jurisdiction draws upon the same regional infrastructure systems as development in another. The amendment affirms equal treatment across the County.

2. Administrative Definitions

New definitions (including Municipality, Permitting Authority, Director, and Certificate of Occupancy) provide the administrative framework necessary for consistent cross-jurisdictional operation. These definitions recognize that permitting authority is exercised by different governmental entities while maintaining a single County tax structure.

This approach respects municipal permitting roles while preserving uniform County fiscal policy.

3. Timing of Payment

Shifting payment from building permit issuance to issuance of a Certificate of Occupancy aligns tax collection with actual occupancy and use. This reduces refund disputes, reflects the economic reality of completed development, and creates a single, predictable collection point regardless of permitting pathway.

The change improves administrative efficiency without increasing tax burden.

4. Municipal Collection and Remittance

The amendment establishes a clear process when a municipality issues a Certificate of Occupancy: the municipality collects the tax and remits it to the County. This closes a practical enforcement gap in the prior ordinance and protects County fiscal integrity while maintaining local permitting authority.

The structure is cooperative, not intrusive.

5. Conforming Revisions

Refunds, exemptions, and effective date provisions are updated to match the Certificate of Occupancy framework. These revisions ensure internal consistency and prevent unintended loopholes.

IV. What the Amendment Does Not Do

The amendment does not:

- 1.) change tax rates
- 2.) alter allocation formulas
- 3.) expand policy scope
- 4.) impose new categories of taxation
- 5.) modify the credit structure

The excise tax remains the same tax. The amendment clarifies administration so the ordinance functions as originally intended.

V. Public Interest Considerations

Growth is a regional phenomenon. Infrastructure systems serve the County as a whole. When development occurs without uniform contribution to shared infrastructure, the burden shifts to existing taxpayers. The amendment safeguards against that inequity.

Clarifying the ordinance now prevents prolonged uncertainty, inconsistent enforcement, and avoidable disputes. It promotes transparency, predictability, and equal treatment - all hallmarks of sound public finance.

VI. Request

Legal respectfully requests that the Commissioners determine whether to hold a public hearing to consider the proposed amendments. If authorized, Legal has tentatively cleared the date of March 10, 2026 for the hearing.

Subject: ~~Finance—To repeal/amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

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BUILDING EXCISE TAX ORDINANCE

TO AMEND THE BUILDING EXCISE TAX ORDINANCE ESTABLISH A BUILDING EXCISE TAX IN ST. MARY'S COUNTY AND TO REPEAL THE DEVELOPMENT IMPACT FEES LOCATED IN CHAPTER §§ 223-4 THROUGH 223-4.6 OF THE CODE OF ST. MARY'S COUNTY, MARYLAND

WHEREAS, during the 2021 Regular Session of the Maryland General Assembly, House Bill 528 repealed the St. Mary's County impact fee, effective July 1, 2023, which had been codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland by the General Assembly of Maryland in § 20-807 of the Local Government Article of the Annotated Code of Maryland, the Commissioners may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland (hereinafter "County") by the General Assembly of Maryland in § 20-807 of the Local Government Article of the Annotated Code of Maryland, the County may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; ~~desire to impose a building excise tax on building construction in St. Mary's County; and~~

WHEREAS, on May 2, 2023, the County enacted Ordinance 2023-09, establishing a building excise tax effective July 1, 2023; and

WHEREAS, pursuant to the authority granted to the County by the General Assembly of Maryland in § 4-111(c)(2) of the Local Government Article of the Annotated Code of Maryland, the County desire to clarify that the building excise tax applies equally to all in St. Mary's County, including municipalities; and

WHEREAS, the County desire to shift the collection of taxes from building permit issuance to issuance of a Certificate of Occupancy; and

WHEREAS, a notice of a public hearing was advertised on ~~March 31, 2023~~ February 20, 2026, and ~~April-February 277, 2026,~~ 3 in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on ~~April 18, 2023~~ March 10, 2026, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's

Subject: ~~Finance~~—~~To repeal~~ amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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County, Maryland, ~~to impose a building excise tax on any building construction in St. Mary's County;~~ and

NOW, THEREFORE, BE IT ORDAINED by the ~~e~~ Commissioners of St. Mary's County, pursuant to §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that ~~there is at the~~ Building Excise Tax Ordinance is amended as follows: as set forth herein which will be effective on July 1, 2023; and

~~BE IT FURTHER ORDAINED THAT~~ any development impact fee or any other impact fee previously established by the Commissioners of St. Mary's County are repealed, including Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County.

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary's County, including within incorporated municipalities, there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in ~~this Chapter~~ § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of ~~Chapter~~ §§ 267-81 through 267-90 of the Code of St. Mary's County only:

- A. *Applicant*. Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who seeks issuance of a Certificate of Occupancy change within St. Mary's County, including any municipality applies for a building permit within St. Mary's County.
- B. *Tax*. Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single--Family*. Single--Family means either: the meaning of "Dwelling, Single-family" under the St. Mary's County Comprehensive Zoning Ordinance, or, if in a municipality, the

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

~~equivalent single-family residential dwelling use under the municipal zoning ordinance. shares the same meaning as “Dwelling, Single family” as defined in the St. Mary’s County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.~~

~~D. *Multi-family*. Multi-family means either: the meaning of “Dwelling, Multiple-family” under the shares the same meaning as “Dwelling, Multiple family” as defined in the St. Mary’s County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent multi-family residential dwelling use under the municipal zoning ordinance. Art. 9, Ch. 90.~~

~~E. *Municipality*. Municipality means any incorporated town or city located within St. Mary’s County, Maryland~~

~~F. *Permitting Authority*. Permitting Authority means the St. Mary’s County Department of Land Use and Growth Management, or, within a municipality, the municipal department or official authorized to issue Certificates of Occupancy.~~

~~G. *Director*. Director means the Director of Land Use and Growth Management or their designee, or, within a municipality, the municipal official designated by the municipality for purposes of administering this Article.~~

~~D.H. *Certificate of Occupancy*. Certificate of Occupancy means the permit, certificate, or other approval issued by the Permitting Authority authorizing a building or structure to be occupied or used for its intended purpose, and includes: final, temporary, conditional, partial, or any other approval however denominated.~~

Sec. 267-83. Amount of tax.

~~A. *Development Type*. For the purpose of administering this Ordinance, the final authority as to the appropriate category of development type for a building type rests with the Director, of Land Use and Growth Management or their designee.~~

~~A.~~

B. *Residential Development*. The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Subject: ~~Finance~~—~~To repeal/amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multi-family	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

C. ~~Non-Residential Development~~. The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NON-RESIDENTIAL DEVELOPMENT:

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

D. *Rate Adjustment*. The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the ~~Commissioners of St. Mary's County~~County.

E. *Mixed Use*. The total amount of the tax for a mixed-use building ~~or structure permit~~ shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.

F. *Change in Development Type*. ~~An applicant for~~For building construction that changes a property's development type from any type listed in § 267-83 to any other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:

1. A residential development type to a different residential development type, and
2. A non-residential development type to different non-residential development type, and
3. A residential development type to a non-residential development type, and
4. A non-residential development type to a residential development type.

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

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Sec. 267-84. Payment of tax.

- A. An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued pay the building excise tax prior to the issuance of any Certificate of Occupancy for the building or structure. Payment shall be made payable to the St. Mary's County Government.
- B. For Certificates of Occupancy issued by St. Mary's County, the tax shall be collected by the County. For Certificates of Occupancy issued by a municipality, the tax shall be collected by the municipality prior to the issuance of the Certificate of Occupancy.
- C. All building excise tax revenues collected by a municipality pursuant to this Article shall be remitted to St. Mary's County in accordance with procedures established by the County.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

- A. If a building excise tax has been paid, and:
 - 1. A Certificate of Occupancy is not issued; or
 - 2. The applicant withdraws the request for a Certificate of Occupancy prior to issuance;then the applicant shall be entitled to a refund of the tax paid.
- B. The applicant shall apply for the refund within sixty (60) days of the date the Certificate of Occupancy was denied or withdrawn.
- C. The Permitting Authority may retain six percent (6%) of the tax collected to offset the administrative costs of collection and processing the refund. permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within 60 days of the expiration of the building permit. The County shall retain 6% of the tax collected to offset the costs of

Subject: ~~Finance—To repeal—amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

~~collection and refund.~~

Sec. 267-87. Credits.

~~For any building or structure for which a building permit was issued prior to July 1, 2023, and which is thereafter issued a Certificate of Occupancy, the building excise tax shall be deemed paid for the development type associated with the building, and no tax shall be due under this Article for that permit. For excise tax paid on any building or structure for which a building permit was issued between July 1, 2023, and the effective date of this Ordinance, the excise tax shall be deemed paid. residential and non-residential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.~~

Sec. 267-88. Exemptions.

~~A.~~ A. An excise tax is not required for ~~issuance~~ construction authorized by ~~of~~ a building permit issued for:

~~A.~~ 1. Construction of the first three (3) single family residential dwelling units on lots in a minor subdivision:

~~a.~~ a. Recorded after July 1, 2023; and

~~1.~~ b. Created from a parcel of record or a lot of record; and

~~2.~~ c. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

2. Replace, renovate, or alter a previously existing building, whether residential or non-residential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the change.

~~B.~~ B. An exemption granted under this section based on information provided at the time of the building permit application may be revoked if the Permitting Authority determines that the information was materially inaccurate or that the exemption criteria were not satisfied.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive ~~a building permit or change of use permit~~ Certificate of Occupancy on or after July 1, 2023, except that no building excise tax shall be due

Subject: ~~Finance—To repeal-amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

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~~for any building or structure constructed pursuant to a building permit issued prior to July 1, 2023.~~
- A Certificate of Occupancy permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the Permitting Authority~~County~~.

Sec. 267-90. Severability.

~~If any word, phrase, clause, sentence, paragraph, or section of provision of this Chapter, or its the application to any person or circumstance of such to any entity or circumstance, is held declared invalid or unconstitutional by a court of competent jurisdiction, such the invalidity or unconstitutionality shall not affect any of the remaining provisions or applications of this Chapter. The provisions of this Chapter are declared to be severable and shall remain in full force and effect to the fullest extent permitted by law. words, phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.~~

Sec. 267-91. Title.

This Article XXXII of Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Subject: ~~Finance~~ ~~To repeal~~ ~~amend the Building Excise Tax, Article XXXII, Chapter 267 of the Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§ 267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County~~

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye: _____
Those voting Nay: _____
Those Abstaining: _____
Date of Adoption: _____
Effective Date: July 1, 2023

ATTEST:

COMMISSIONERS OF ST. MARY'S COUNTY

David A. Weiskopf
County Administrator

James R. Guy, Commissioner President

Michael R. Alderson, Jr., Commissioner

Approved as to form and legal sufficiency:

Eric Colvin, Commissioner

Buffy Giddens
~~Deputy~~ County Attorney _____

Michael L. Hewitt, Commissioner

Scott R. Ostrow, Commissioner

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

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BUILDING EXCISE TAX ORDINANCE

TO AMEND THE BUILDING EXCISE TAX ORDINANCE

WHEREAS, during the 2021 Regular Session of the Maryland General Assembly, House Bill 528 repealed the St. Mary's County impact fee, effective July 1, 2023, which had been codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland (hereinafter "County") by the General Assembly of Maryland in § 20-807 of the *Local Government Article* of the Annotated Code of Maryland, the County may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, on May 2, 2023, the County enacted Ordinance 2023-09, establishing a building excise tax effective July 1, 2023; and

WHEREAS, pursuant to the authority granted to the County by the General Assembly of Maryland in § 4-111(c)(2) of the *Local Government Article* of the Annotated Code of Maryland, the County desire to clarify that the building excise tax applies equally to all in St. Mary's County, including municipalities; and

WHEREAS, the County desire to shift the collection of taxes from building permit issuance to issuance of a Certificate of Occupancy; and

WHEREAS, a notice of a public hearing was advertised on February 20, 2026, and February 27, 2026, in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on March 10, 2026, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's County, Maryland; and

NOW, THEREFORE, BE IT ORDAINED by the County, pursuant to § 20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that the Building Excise Tax Ordinance is amended as follows:

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with § 20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary's County, including within incorporated municipalities, there is a building excise tax on all new building construction, and any construction resulting in a change in development type

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

as listed in § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of §§ 267-81 through 267-90 of the Code of St. Mary's County only:

- A. *Applicant*. Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who seeks issuance of a Certificate of Occupancy within St. Mary's County, including any municipality within St. Mary's County.
- B. *Tax*. Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single-Family*. Single-Family means either: the meaning of "Dwelling, Single-family" under the St. Mary's County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent single-family residential dwelling use under the municipal zoning ordinance.
- D. *Multi-family*. Multi-family means either: the meaning of "Dwelling, Multiple-family" under the St. Mary's County Comprehensive Zoning Ordinance, or, if in a municipality, the equivalent multi-family residential dwelling use under the municipal zoning ordinance.
- E. *Municipality*. Municipality means any incorporated town or city located within St. Mary's County, Maryland
- F. *Permitting Authority*. Permitting Authority means the St. Mary's County Department of Land Use and Growth Management, or, within a municipality, the municipal department or official authorized to issue Certificates of Occupancy.
- G. *Director*. Director means the Director of Land Use and Growth Management or their designee, or, within a municipality, the municipal official designated by the municipality for purposes of administering this Article.
- H. *Certificate of Occupancy*. Certificate of Occupancy means the permit, certificate, or other approval issued by the Permitting Authority authorizing a building or structure to be occupied or used for its intended purpose, and includes: final, temporary, conditional, partial, or any other approval however denominated.

Sec. 267-83. Amount of tax.

- A. *Development Type*. For the purpose of administrating this Ordinance, the final authority as to the appropriate category of development type for a building type rests with the Director.
- B. *Residential Development*. The tax on residential structures shall be based on the type of

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multi-family	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

C. *Nonresidential Development.* The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NONRESIDENTIAL DEVELOPMENT

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

D. *Rate Adjustment.* The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the County.

E. *Mixed Use.* The total amount of the tax for a mixed-use building or structure shall be the sum of the total residential tax per unit added to the total nonresidential tax per square foot.

F. *Change in Development Type.* For building construction that changes a property's development type from any type listed in § 267-83 to *any* other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:

1. A residential development type to a different residential development type, and
2. A non-residential development type to different non-residential development type, and
3. A residential development type to a non-residential development type, and
4. A non-residential development type to a residential development type.

Sec. 267-84. Payment of tax.

A. An applicant for new construction, or for construction that results in any change in the development type of a property shall pay the building excise tax prior to the issuance of any

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

Certificate of Occupancy for the building or structure.

- B. For Certificates of Occupancy issued by St. Mary's County, the tax shall be collected by the County. For Certificates of Occupancy issued by a municipality, the tax shall be collected by the municipality prior to the issuance of the Certificate of Occupancy.
- C. All building excise tax revenues collected by a municipality pursuant to this Article shall be remitted to St. Mary's County in accordance with procedures established by the County.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

- A. If a building excise tax has been paid, and:
 - 1. A Certificate of Occupancy is not issued; or
 - 2. The applicant withdraws the request for a Certificate of Occupancy prior to issuance; then the applicant shall be entitled to a refund of the tax paid.
- B. The applicant shall apply for the refund within sixty (60) days of the date the Certificate of Occupancy was denied or withdrawn.
- C. The Permitting Authority may retain six percent (6%) of the tax collected to offset the administrative costs of collection and processing the refund.

Sec. 267-87. Credits.

For any building or structure for which a building permit was issued prior to July 1, 2023, and which is thereafter issued a Certificate of Occupancy, the building excise tax shall be deemed paid for the development type associated with the building, and no tax shall be due under this Article for that permit. For excise tax paid on any building or structure for which a building permit was issued between July 1, 2023, and the effective date of this Ordinance, the excise tax shall be deemed paid.

Sec. 267-88. Exemptions.

- A. An excise tax is not required for construction authorized by a building permit issued for:
 - 1. Construction of the first three (3) single family residential dwelling units on lots in a minor subdivision:
 - a. Recorded after July 1, 2023; and

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

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- b. Created from a parcel of record or a lot of record; and
- c. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

2. Replace, renovate, or alter a previously existing building, whether residential or nonresidential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the change.

B. An exemption granted under this section based on information provided at the time of the building permit application may be revoked if the Permitting Authority determines that the information was materially inaccurate or that the exemption criteria were not satisfied.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a Certificate of Occupancy on or after July 1, 2023, except that no building excise tax shall be due for any building or structure constructed pursuant to a building permit issued prior to July 1, 2023. A Certificate of Occupancy shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the Permitting Authority.

Sec. 267-90. Severability.

If any provision of this Chapter, or its application to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions or applications of this Chapter. The provisions of this Chapter are declared to be severable and shall remain in full force and effect to the fullest extent permitted by law.

Sec. 267-91. Title.

This Article XXXII of Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Subject: To amend the Building Excise Tax, Article XXXII, Chapter 267 of the Code of St. Mary's County, Maryland

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye: _____
 Those voting Nay: _____
 Those Abstaining: _____
 Date of Adoption: _____
 Effective Date: _____

ATTEST:

COMMISSIONERS OF ST. MARY'S COUNTY

 David A. Weiskopf
 County Administrator

 James R. Guy, Commissioner President

 Michael R. Alderson, Jr., Commissioner

Approved as to form and legal sufficiency:

 Eric Colvin, Commissioner

 Buffy Giddens
 County Attorney

 Michael L. Hewitt, Commissioner

 Scott R. Ostrow, Commissioner

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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BUILDING EXCISE TAX ORDINANCE

TO ESTABLISH A BUILDING EXCISE TAX IN ST. MARY'S COUNTY AND TO REPEAL THE DEVELOPMENT IMPACT FEES LOCATED IN CHAPTER §§ 223-4 THROUGH 223-4.6 OF THE CODE OF ST. MARY'S COUNTY, MARYLAND

WHEREAS, pursuant to the 2021 Regular Session of Maryland General Assembly, House Bill 528 repeals the St. Mary's County impact fee effective July 1, 2023 which was codified as Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County; and

WHEREAS, pursuant to the authority granted to the Commissioners of St. Mary's County, Maryland by the General Assembly of Maryland in §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, the Commissioners may impose, by Ordinance, a building excise tax on any building construction in St. Mary's County; and

WHEREAS, the Commissioners of St. Mary's County desire to impose a building excise tax on building construction in St. Mary's County; and

WHEREAS, a notice of a public hearing was advertised on March 31, 2023 and April 7, 2023 in *The Southern Maryland News*, a newspaper of general circulation in St. Mary's County, and a public hearing was held on April 18, 2023, to receive public comment and consider the amendment of Chapter 267 of the Code of St. Mary's County, Maryland, to impose a building excise tax on any building construction in St. Mary's County; and

NOW, THEREFORE, BE IT ORDAINED by the Commissioners of St. Mary's County, pursuant to §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, that there is a building excise tax as set forth herein which will be effective on July 1, 2023;

CHAPTER 267-81 through CHAPTER 267-91

BUILDING EXCISE TAX

§ 267-81 – Establishment of Tax.

In accordance with §20-807 of the *Local Government Article* of the *Annotated Code of Maryland*, in St. Mary's County there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in this Chapter §267-83.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of Chapter §§267-81 through 267-90 of the Code of St. Mary's County only:

- A. Applicant.** Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who applies for a building permit with St. Mary's County.
- B. Tax.** Tax means the building excise tax, unless indicated otherwise by context.
- C. Single Family.** Single Family shares the same meaning as "Dwelling, Single-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.
- D. Multifamily.** Multifamily shares the same meaning as "Dwelling, Multiple-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.

Sec. 267-83. Amount of tax.

- A. Development Type.** The final authority as to the appropriate category of development type for a building type rests with the Director of Land Use and Growth Management or their designee.
- B. Residential Development.** The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Development Type – By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single Family	\$3,066	\$1,687	\$1,056	\$888	\$6,697
Multifamily	\$1,165	\$719	\$725	\$609	\$3,218

- C. Non-Residential Development.** The tax on non-residential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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NON-RESIDENTIAL DEVELOPMENT:

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

- D. Rate Adjustment.** The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the Commissioners of St. Mary's County.
- E. Mixed Use.** The total amount of the tax for a mixed-use building permit shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.
- F. Change in Development Type.** An applicant for building construction that changes a property's development type from any type listed in §267-83 to *any* other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:
 1. A residential development type to a different residential development type, and
 2. A non-residential development type to different non-residential development type, and
 3. A residential development type to a non-residential development type, and
 4. A non-residential development type to a residential development type.

Sec. 267-84. Payment of tax.

An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued. Payment shall be made payable to the St. Mary's County Government.

Sec. 267-85. Appropriation of the Building Excise Tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the *Code of St. Mary's County, Maryland*, and to enact Chapter §§267-81 through 267-91 of the *Code of St. Mary's County* to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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If a building permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within 60 days of the expiration of the building permit. The County shall retain 6% of the tax collected to offset the costs of collection and refund.

Sec. 267-87. Credits.

For all building permits issued and residential and non-residential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.

Sec. 267-88. Exemptions.

An excise tax is not required for issuance of a building permit to:

- A. Construct the first three (3) single family residential dwelling units on lots in a minor subdivision:
 - 1. Recorded after July 1, 2023 and created from a parcel of record or a lot of record; and
 - 2. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.

- B. Replace, renovate, or alter a previously existing building, whether residential or non-residential, which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the same.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a building permit or change of use permit on or after July 1, 2023. A permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the County.

Sec. 267-90. Severability.

If any word, phrase, clause, sentence, paragraph, or section of this chapter, or the application of such to any entity or circumstance, is declared invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall not affect any of the remaining words,

Subject: Finance - To repeal Chapter §§ 223-4 through 223-4.6 of the Code of St. Mary's County, Maryland, and to enact Chapter §§267-81 through 267-91 of the Code of St. Mary's County to Provide for the Establishment of a Building Excise Tax in St. Mary's County

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phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.

Sec. 267-91. Title.

This Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

SECTION II. This Ordinance shall be effective upon the effective date written below.

Those voting Aye:	<u>3</u>
Those voting Nay:	<u>2</u>
Those Abstaining:	<u>0</u>
Date of Adoption:	<u>May 2, 2023</u>
Effective Date:	<u>July 1, 2023</u>

ATTEST:



 David A. Weiskopf
 County Administrator

COMMISSIONERS OF ST. MARY'S COUNTY



 James R. Guy, Commissioner President

 Michael R. Alderson, Jr., Commissioner

NO

 Eric Colvin, Commissioner

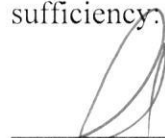


 Michael D. Hewitt, Commissioner



 Scott R. Ostrow, Commissioner

Approved as to form and legal sufficiency:



 Buffy Giddens
 Deputy County Attorney

DOCUMENT VALIDATION

2023 05 07 02:39

LR - Government
Instrument 0.00
Agency Name: ST MARYS
CD COMMISSIONERS
Instrument List: Other
Describe Other:
ORDINANCE 2023-09
Ref: MM/JULIE CSMC
30-1B1

=====
Total: 0.00
05/05/2023 02:39
CC18-JR
#1721B751 CC0704 - St
Mary's
County/CC07.04.04 -
Register 04

Circuit Court for St. Mary's County
PO Box 676
41605 Courthouse Drive
Leonardtown, MD 20650
(301) 475-7844

ARTICLE XXXII. BUILDING EXCISE TAX¹

Sec. 267-81. Establishment of tax.

In accordance with § 20-807 of the Local Government Article of the Annotated Code of Maryland, in St. Mary's County there is a building excise tax on all new building construction, and any construction resulting in a change in development type as listed in § 267-83.

Sec. 267-82. Definitions.

The following words have the meanings indicated for purposes of §§ 267-81 through 267-90 of the Code of St. Mary's County only:

- A. *Applicant.* Applicant means the individual, firm, partnership, corporation, association, society, trust, or other legal entity who applies for a building permit with St. Mary's County.
- B. *Tax.* Tax means the building excise tax, unless indicated otherwise by context.
- C. *Single-Family.* Single-Family shares the same meaning as "Dwelling, Single-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9. Ch. 90.
- D. *Multifamily.* Multifamily shares the same meaning as "Dwelling, Multiple-family" as defined in the St. Mary's County Comprehensive Zoning Ordinance, Art. 9, Ch. 90.

Sec. 267-83. Amount of tax.

- A. *Development Type.* The final authority as to the appropriate category of development type for a building type rests with the Director of Land Use and Growth Management or their designee.
- B. *Residential Development.* The tax on residential structures shall be based on the type of residential structure or unit as follows:

RESIDENTIAL DEVELOPMENT:

Development Type By Use	Schools	Roads	Rec/Parks	Public Safety	Total per unit
Single-Family	\$3,066.00	\$1,687.00	\$1,056.00	\$888.00	\$6,697.00
Multifamily	\$1,165.00	\$719.00	\$725.00	\$609.00	\$3,218.00

- C. *Nonresidential Development.* The tax on nonresidential development types (including places of worship and public facilities) shall be guided by trip generation rates established by the Institute of Transportation Engineers.

NONRESIDENTIAL DEVELOPMENT:

¹Adopted 5-2-2023 by Ord. No. 2023-09.

Development Type	Schools	Roads	Rec/Parks	Public Safety	Total per Ft ²
Retail/Commercial/Services	\$0.00	\$2.71	\$0.00	\$1.40	\$4.11
Office/Institutional/Medical	\$0.00	\$1.20	\$0.00	\$0.62	\$1.82
Industrial/Flex/Other	\$0.00	\$0.53	\$0.00	\$0.27	\$0.80
Lodging (per room, not ft ²)	\$0.00	\$885.65	\$0.00	\$456.70	\$1,342.35

- D. *Rate Adjustment.* The amount of the tax for each fiscal year shall be set in the Revenue Tax Ordinance adopted as part of the annual budget of the Commissioners of St. Mary's County.
- E. *Mixed Use.* The total amount of the tax for a mixed-use building permit shall be the sum of the total residential tax per unit added to the total non-residential tax per square foot.
- F. *Change in Development Type.* An applicant for building construction that changes a property's development type from any type listed in § 267-83 to any other development type shall owe the difference between the excise tax paid on the prior development type and the excise tax due on the new development type, if any. This includes changes from:
1. A residential development type to a different residential development type, and
 2. A nonresidential development type to different nonresidential development type, and
 3. A residential development type to a nonresidential development type, and
 4. A nonresidential development type to a residential development type.

Sec. 267-84. Payment of tax.

An applicant for a building permit for new construction, or for building construction that results in any change in the development type of a property shall be paid before the permit is issued. Payment shall be made payable to the St. Mary's County Government.

Sec. 267-85. Appropriation of the building excise tax.

Revenues generated by the building excise tax shall be deposited into the County's general fund and may be appropriated, from time to time, to fund capital improvements to schools, recreation and parks, transportation, or public safety or any combination thereof.

Sec. 267-86. Refund.

If a building permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the St. Mary's County Department of Land Use and Growth Management for the refund within sixty (60) days of the expiration of the building permit. The County shall retain six (6) percent of the tax collected to offset the costs of collection and refund.

Sec. 267-87. Credits.

For all building permits issued and residential and nonresidential buildings constructed prior to July 1, 2023, the excise tax shall be deemed paid for the development type associated with the building.

Sec. 267-88. Exemptions.

An excise tax is not required for issuance of a building permit to:

-
- A. Construct the first three (3) single-family residential dwelling units on lots in a minor subdivision:
 - 1. Recorded after July 1, 2023, and created from a parcel of record or a lot of record; and
 - 2. Transferred to a natural, direct lineal descendant or a legally adopted child or grandchild.
 - B. Replace, renovate, or alter a previously existing building, whether residential or nonresidential. which was lost to fire, accident, or natural disaster within the last three (3) years, so long as the development type remains the same.

Sec. 267-89. Effective date.

This chapter shall apply to all applicants who receive a building permit or change of use permit on or after July 1, 2023. A permit shall be deemed "issued" when it has received all necessary approvals and when the entire building excise tax has been received by the County.

Sec. 267-90. Severability.

If any word, phrase, clause, sentence, paragraph, or section of this chapter, or the application of such to any entity or circumstance, is declared invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs, or sections of this chapter, since the same would have been enacted without the incorporation into this chapter of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this chapter are determined to be severable.

Sec. 267-91. Title.

This [Article XXXII of] Chapter 267 of the Code of St. Mary's County shall be known as the "Building Excise Tax Ordinance."

Md. Local Government Code Ann. § 20-807

*** Current through the end of the 2025 Regular and 1st Special Sessions of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 20. Taxes and Development Impact Fees. (Subts. 1 — 9) > Subtitle 8. Development Excise Taxes. (§§ 20-801 — 20-807)

§ 20-807. Building excise tax on building construction — Application to certain types of building construction — Varying tax rates — Revenue proceeds.

- (a) By ordinance, the County Commissioners of St. Mary's County may impose a building excise tax on any building construction in St. Mary's County.
- (b) The County Commissioners of St. Mary's County shall specify in the ordinance the types of building construction that are subject to the tax.
- (c) The County Commissioners of St. Mary's County may impose different tax rates on different types of building construction.
- (d) The revenues from the tax:
 - (1) shall be deposited in the county's general fund; and
 - (2) may be used for any lawful purpose in the county.

History

2021, ch. 589, § 1.

Annotations

Notes

Editor's note. —

Pursuant to the 2021 enacting legislation which was enacted under Article II, § 17(c) of the Maryland Constitution on May 30, 2021, this section becomes effective on July 1, 2023.

Research References & Practice Aids

Hierarchy Notes:

Md. Local Government Code Ann

Md. Local Government Code Ann. § 4-111

*** Current through the end of the 2025 Regular and 1st Special Sessions of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division II. Municipalities. (Titles 4 — 8) > Title 4. In General. (Subts. 1 — 5) > Subtitle 1. Definitions; General Provisions. (§§ 4-101 — 4-111)

§ 4-111. Application of county legislation to municipalities.

- (a) In this section, “legislation” means any form of county or municipal legislative enactment, including a law, an ordinance, a resolution, or any action by which a county budget is adopted.
- (b) Except as provided in subsection (c) of this section, legislation enacted by a county does not apply in a municipality located in the county if the legislation:
- (1) by its terms, exempts the municipality;
 - (2) conflicts with legislation of the municipality enacted under a grant of legislative authority provided by public general law or the municipal charter; or
 - (3)
 - (i) relates to a subject on which a public general law or the municipal charter grants the municipality legislative authority; and
 - (ii) the municipality by ordinance or charter amendment:
 1. specifically exempts itself from the county legislation; or
 2. generally exempts itself from county legislation covered by the type of grant of authority to the municipality.
- (c) The following categories of county legislation, if within the scope of legislative powers granted to a county by the General Assembly, apply in all municipalities in the county:
- (1) county legislation made applicable to all municipalities in the county under a law enacted by the General Assembly;
 - (2) county revenue or tax legislation, subject to Title 16, Subtitle 5 and Title 20 of this article, the Tax - General Article, and the Tax - Property Article, or legislation adopting a county budget; and
 - (3) subject to subsection (e) of this section, county legislation that is enacted in accordance with county requirements for legislation that is to become effective immediately and for which the legislative body of the county:
 - (i) makes a specific finding based on evidence of record after a hearing held under item (ii) of this item that there will be significant adverse impact on the public health, safety, or welfare affecting residents of the county in unincorporated areas if the legislation does not apply in all municipalities in the county;
 - (ii) conducts a public hearing at which all municipalities in the county and any interested persons have an opportunity to be heard;
 - (iii)
 1. provides notice of the hearing by certified mail to all municipalities in the county at least 30 days before the hearing; and

2. publishes notice in a newspaper of general circulation in the county for 3 successive weeks, beginning at least 30 days before the hearing; and

(iv) enacts the county legislation by an affirmative vote of at least two-thirds of the authorized membership of the county legislative body.

(d)

(1) County legislation enacted in accordance with subsection (c)(3) of this section is subject to judicial review by the circuit court of the county, in accordance with the Maryland Rules governing appeals from administrative agencies, of:

(i) the finding made under subsection (c)(3)(i) of this section; and

(ii) the legislation's applicability to municipalities located in the county.

(2) An appeal under this subsection shall be filed within 30 days after the effective date of the county legislation.

(3) In a judicial proceeding under this subsection, the only issues that may be considered are whether the county legislative body:

(i) complied with the procedures of subsection (c)(3) of this section; and

(ii) had sufficient evidence from which a reasonable person could conclude that there will be a significant adverse impact on the public health, safety, or welfare affecting residents of the county in unincorporated areas if the county legislation does not apply in all municipalities in the county.

(4) The court shall decide the issues under paragraph (3) of this subsection without a jury.

(5) If a court reverses a legislative body's finding under subsection (c)(3)(i) of this section:

(i) the legislation shall continue to apply in unincorporated areas of the county; and

(ii) the applicability of the legislation in a municipality is governed by subsection (b) of this section.

(6) A county or municipality in the county may appeal the decision of a circuit court in a proceeding under this subsection to the Appellate Court of Maryland.

(e) County legislation enacted in accordance with subsection (c)(3) of this section does not apply, or becomes inapplicable, in a municipality that has enacted or enacts municipal legislation that:

(1) covers the same subject matter and furthers the same policies as the county legislation;

(2) is at least as restrictive as the county legislation; and

(3) includes provisions for enforcement.

(f)

(1) By ordinance, a municipality may request and authorize the county in which it is located to administer or enforce any municipal legislation.

(2) After a municipality enacts an ordinance under paragraph (1) of this subsection, a county may administer or enforce the municipal legislation on mutually agreed terms.

(g) The other provisions of this article are considered amended as provided in this section.

History

An. Code 1957, art. 23A, §§ 2B(a)-(d), (e)(2), 2C; 2013, ch. 119, § 2; 2021, ch. 82, § 7; ch. 83, § 7.

Annotations

Notes

Revisor's note. —

This section is new language derived without substantive change from former Art. 23A, §§ 2C and 2B(a) through (d) and (e)(2).

In subsection (b)(3)(ii) of this section, the former reference to an ordinance or amendment “having prospective or retrospective applicability, or both” is deleted as unnecessary because it is inclusive of every application.

In the introductory language of subsection (c) of this section, the former phrase “[n]otwithstanding the provisions of [subsection (b)(2) and (3)] of this section,” is deleted as surplusage.

In subsection (c)(1) of this section, the reference to county legislation “made applicable to all municipalities in the county under a law enacted by the General Assembly” is substituted for the former reference to county legislation “where a law enacted by the General Assembly so provides” for clarity.

In the introductory language of subsection (d)(3) of this section, the reference to issues “that may be considered” in a judicial proceeding is added for clarity.

In subsection (f) of this section, the former reference to “conditions” is deleted as included in the reference to “terms”.

In subsection (g) of this section, the former reference to “modified” is deleted as included in the reference to “amended”.

Former Art. 23A, § 2B(e)(1), which defined “county” to mean any county regardless of the form of government, is deleted in light of the definition of “county” in § 1-101 of this article.

The Local Government Article Review Committee notes, for consideration by the General Assembly, that the meaning and intent of subsection (g) of this section is unclear. The General Assembly may wish to clarify the meaning of this subsection or repeal it.

Defined terms:

“County” § 1-101

“Municipal charter” § 4-101

“Municipality” § 1-101

“Person” § 1-101

GENERAL REVISOR'S NOTE TO SUBTITLE

Former Art. 23A, § 5, which specified that if a provision or a certain application of a provision of Article 23A was held invalid, the remainder of the article and other applications would not be affected, is deleted as unnecessary in light of Art. 1, § 23, which states that statutes enacted after July 1, 1973, are severable unless the statute specifically provides that its provisions are not severable.

Limitation on application of charter county ordinances. —

The General Assembly may limit the application of charter county ordinances to municipal corporations in those counties without adopting a constitutional amendment to accomplish this purpose. 67 Md. Op. Att'y Gen. 254 (1982).

City of Laurel electrical code. —

The Prince George's County Board of Registration for Master Electricians and Electrical Contractors is legally authorized to hear appeals relating to the electrical code of the City of Laurel. 81 Md. Op. Att'y Gen. 133 (Sept. 3, 1996).

Research References & Practice Aids

University of Baltimore Law Review.

For note discussing county ordinance enacted pursuant to Express Powers Act as prevailing over ordinances enacted by municipalities within that county pursuant to municipal Express Powers Act, see 12 U. Balt. L. Rev. 191 (1982).

Hierarchy Notes:

Md. Local Government Code Ann

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