

**MANAGING GROWTH:
THE USE OF DEVELOPMENT IMPACT FEES
AND BUILDING EXCISE TAXES IN MARYLAND
2008 SUPPLEMENT**



DEPARTMENT OF LEGISLATIVE SERVICES 2008

Managing Growth: The Use of Development Impact Fees and Building Excise Taxes in Maryland

2008 Supplement

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

December 2008

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December 2008

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Honorable Members of the General Assembly

Ladies and Gentlemen:

Managing growth continues to be a major issue confronting local governments in Maryland. In order to better manage growth, local governments have several tools which they may use including imposing development impact fees and building excise taxes to raise revenues to fund public facilities or by adopting adequate public facilities ordinances (APFOs) to ensure that the provision of public facilities is sufficient to meet the demands of a growing population.

In January 2008, the Department of Legislative Services prepared a report that reviewed the use of development impact fees and excise taxes among local governments in Maryland and in other states. The report also described how APFOs have been implemented in Maryland. A profile summarizing the uses and history of impact fees and excise taxes in each jurisdiction where such measures are imposed was also provided. This supplement updates this information to reflect revenue collections for fiscal 2008 and fee amounts/tax rates for fiscal 2009. The supplement also includes a summary of local government and State legislative changes to local development impact fees and excise taxes since the last report.

The supplement was prepared by Scott Kennedy and reviewed by Laura Lodge and Hiram Burch. Mindy McConville prepared the manuscript. The Department of Legislative Services trusts that the study will be useful to members of the General Assembly and to other persons interested in matters relating to managing local growth in Maryland.

Sincerely,

Warren G. Deschenaux
Director

WGD/mlm
cc: Mr. Karl S. Aro

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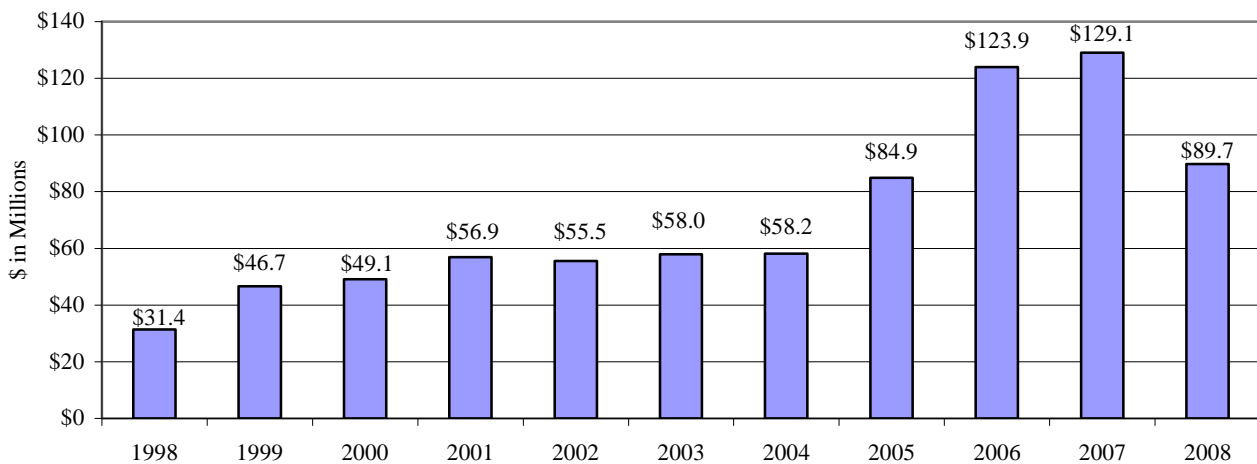
Chapter 1. Use of Development Impact Fees and Excise Taxes in Maryland

Introduction

Development impact fees and building excise taxes enable local governments to collect revenue from builders for public facilities necessitated by new residential or commercial development. As a result of these development charges, local governments are able to shift the costs of financing new public facilities from existing taxpayers to individuals responsible for the development. In many situations, the use of such development charges may eliminate the need for jurisdiction-wide tax increases. Another benefit of development charges is that local officials can collect the needed revenue for the expansion or construction of new public facilities prior to the construction of any new residential development. In this manner, payment of an impact fee or excise tax may be required by local officials before the issuance of a building permit or approval of a subdivision plat.

Development impact fees and building excise taxes are imposed in 16 counties in Maryland, with 1 county imposing both an impact fee and an excise tax. Over the last 10 years, local revenues from development impact fees and building excise taxes have increased from \$31.4 million in fiscal 1998 to \$129.1 million in fiscal 2007. Due to the downturn in the real estate market, impact fee and excise tax revenues declined by over 30 percent in fiscal 2008 to \$89.7 million as shown in **Exhibit 1**.

Exhibit 1
Development Impact Fees and Excise Taxes
Maryland Local Governments



Source: Maryland Association of Counties; Department of Legislative Services

Development Impact Fees

A development impact fee is a regulatory measure designed to fund facilities specifically required by new development projects in order to mitigate the impact of such development on infrastructure or public facilities. However, there must be a reasonable connection between the amount of the impact fee imposed and the actual cost of providing facilities to the properties assessed. In order to justify the imposition of an impact fee, a jurisdiction must conduct a study that measures the effects that new development will have on public facilities. The amount of an impact fee is subject to judicial review. Moreover, the revenue from the fee must be dedicated to substantially benefit the assessed properties. Thus, a county cannot collect an impact fee in one geographic area and spend the funds in another area.

Development impact fees are imposed in eight counties – Anne Arundel, Carroll, Frederick, Harford, Queen Anne’s, St. Mary’s, Talbot, and Wicomico. Frederick County imposes both an impact fee and an excise tax on development. In fiscal 2008, the impact fees in these jurisdictions generated an estimated \$23.8 million in revenue.

Building Excise Taxes

A building excise tax is another means of raising revenue from new development. Unlike an impact fee, the amount of an excise tax does not have to be closely related to the actual cost of providing public facilities to serve new development. In addition, excise tax revenues do not have to be spent to specifically benefit the properties that are taxed but can generally be spent throughout the county. Building excise taxes are imposed on development in nine counties – Calvert, Caroline, Charles, Dorchester, Frederick, Howard, Montgomery, Prince George’s, and Washington. In fiscal 2008, the excise taxes in these jurisdictions generated an estimated \$65.9 million in revenue.

Local Rates and Revenues by County

Local governments in Maryland will collect \$89.7 million in local development impact fees and building excise taxes in fiscal 2008. Revenue collections range from less than \$250,000 in Caroline County to almost \$28 million in Prince George’s County. On a per capita basis, revenue collections range from \$7 in Caroline County to \$35 in Calvert, Howard, and St. Mary’s counties with the statewide average at \$16 per capita. **Exhibit 2** shows the development impact fees and building excise tax rates applicable to a single-family development for each county in fiscal 2007 through 2009. A more detailed listing of the fee amounts and tax rates for fiscal 2009 is provided in the appendices. **Exhibit 3** shows the revenue collections for fiscal 2007 and 2008. Information for fiscal 2009 is not complete as of the publication of this supplement.

Governmental Uses

Public services funded by development impact fees and building excise taxes include public school construction, libraries, community colleges, transportation, public safety, parks and recreation, and utilities. In fiscal 2008, approximately 71.9 percent of development charges were targeted to education related projects while 25.8 percent were targeted to transportation projects – the two leading governmental uses for these revenues. Education related projects include funding for public schools, libraries, and community colleges. **Exhibit 4** shows the governmental uses for both development impact fees and building excise taxes for fiscal 2008.

Exhibit 2
County Development Impact Fees/Excise Tax Rates

<u>County</u>	<u>Type</u>	<u>Fee/Rate Per Dwelling¹</u>		
		<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Anne Arundel	Impact Fee	\$4,781	\$4,904	\$1,759 ²
Calvert	Excise Tax	12,950	12,950	12,950
Caroline ³	Excise Tax	5,000	5,000	5,000
Carroll	Impact Fee	6,836	6,836	6,836
Charles	Excise Tax	10,859	11,400	11,598
Dorchester ⁴	Excise Tax	3,671	3,671	3,671
Frederick ⁵	Both	11,595	13,121	13,733
Harford	Impact Fee	7,442	8,269	8,269
Howard ⁶	Excise Tax	See note	See note	See note
Montgomery ⁷	Excise Tax	14,283	31,105	31,105
Prince George's ⁸	Excise Tax	19,361	19,864	20,638
Queen Anne's	Impact Fee	6,606	\$3.93/sq. ft.	\$4.05/sq. ft.
St. Mary's	Impact Fee	4,500	4,500	4,500
Talbot ⁹	Impact Fee	5,347	5,513	5,684
Washington ¹⁰	Excise Tax	13,000	13,000	\$3.00/sq. ft.
Wicomico	Impact Fee	5,231	5,231	5,231

¹ Rates listed are generally those applicable to single-family detached dwellings and are per dwelling unless otherwise indicated.

² Rate for a 1,500-1,599 square foot residential unit from January 1, 2009 through December 31, 2010. Residential rates vary by the square footage of a unit and increase in 2010 and 2011.

³ A \$750 development excise tax for agricultural land preservation is also imposed on single-family residential lots created by subdivision in a "rural district."

⁴ A slightly higher rate, \$3,765 per dwelling, applies outside of the Cambridge and Hurlock areas.

⁵ The rates shown only reflect the public school and library impact fee total. The roads tax (unchanged for all three fiscal years) is \$0.10/sq. ft. or \$0.25/sq. ft. (depending on the square footage), with the first 700 square feet not taxed.

⁶ Roads tax is \$400 for the first 500 sq. ft. and \$0.90/sq. ft. (\$0.88/sq. ft. in fiscal 2008 and \$0.80/sq. ft. in fiscal 2007) for square footage in excess of 500 sq. ft. School surcharge is \$1.14/sq. ft. (\$1.09/sq. ft. in fiscal 2008 and \$1.07/sq. ft. in fiscal 2007).

⁷ Fiscal 2008 and 2009 amounts represent \$10,649 for transportation and \$20,456 for schools, effective December 1, 2007. Fiscal 2007 amount represents \$5,819 for transportation and \$8,464 for schools (these amounts were moderately increased at the beginning of fiscal 2008, prior to the December 1, 2007 increase.) The school excise tax is increased by \$2 for each square foot between 3,500 and 8,500 gross square feet (reflecting a change effective December 1, 2007). Different transportation rates apply in the Metro Station and Clarksburg impact tax districts.

⁸ Fiscal 2009 amount represents \$14,019 for school facilities and \$6,619 for public safety. A lower school facilities rate (\$8,177 in fiscal 2009) applies inside the beltway and a lower public safety rate (\$2,207 in fiscal 2009) applies inside the "developed tier" as defined in the 2002 Prince George's County Approved General Plan.

⁹ A lower rate (\$4,912 in fiscal 2009) applies to "in-town" development.

¹⁰ In fiscal 2007 and 2008, the rate for a nonapartment, residential dwelling less than 1,500 sq. ft. in area was \$1.00/sq. ft.

Source: Department of Legislative Services

Exhibit 3
County Development Impact Fees/Excise Tax Revenues

<u>County</u>	<u>FY 2007 Actual¹</u>	<u>FY 2008 Estimated²</u>	<u>Revenue Increase/Decrease</u>	<u>% Change</u>
Anne Arundel	\$9,235,359	\$7,827,303	(\$1,408,056)	-15.3%
Calvert	3,990,000	3,133,000	(\$857,000)	-21.5%
Caroline	351,178	242,724	(\$108,454)	-30.9%
Carroll	1,525,681	1,350,460	(\$175,221)	-11.5%
Charles ³	2,469,035	4,127,883	\$1,658,848	67.2%
Dorchester	1,007,908	783,333	(\$224,575)	-22.3%
Frederick	11,159,465	6,798,256	(\$4,361,209)	-39.1%
Harford	4,700,428	2,699,380	(\$2,001,048)	-42.6%
Howard	13,107,941	9,643,565	(\$3,464,376)	-26.4%
Montgomery	21,064,000	16,511,000	(\$4,553,000)	-21.6%
Prince George's ⁴	47,705,217	27,596,229	(\$20,108,988)	-42.2%
Queen Anne's	1,594,149	1,456,123	(\$138,026)	-8.7%
St. Mary's	3,794,275	3,540,450	(\$253,825)	-6.7%
Talbot	1,947,179	785,812	(\$1,161,367)	-59.6%
Washington	4,382,782	2,455,633	(\$1,927,149)	-44.0%
Wicomico	<u>1,017,662</u>	<u>782,097</u>	<u>(\$235,565)</u>	<u>-23.25%</u>
Total	\$129,052,259	\$89,733,248	(\$39,319,011)	-30.5%

¹ Some of the fiscal 2007 revenue numbers have been updated by the respective counties since *Managing Growth: The Use of Development Impact Fees and Building Excise Taxes in Maryland, 2008* was finalized.

² Due to the timing of the survey from which the fiscal 2008 revenues were collected, some counties identified their fiscal 2008 revenue numbers as unaudited or estimated and numbers for other counties may also be unaudited.

³ In Charles County, the excise tax is collected annually over a period of 10 years at level, amortized payments of principal and interest. The excise tax became effective in fiscal 2004 and revenues have been steadily increasing as annual payments from properties on which the tax was assessed in previous fiscal years continue to be collected.

⁴ Consists only of revenues collected from the school facilities surcharge. The public safety surcharge only applies to construction for which a preliminary plan has been approved on or after July 1, 2005, consequently no revenues have been collected through fiscal 2008.

Source: Department of Legislative Services

Exhibit 4
Governmental Uses of Development Impact Fees and Excise Taxes
Fiscal 2008

County	Education	Transportation	Public Safety	Recreation	Other	Total Revenues	Per Capita Revenues
Allegany	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Anne Arundel	2,841,491	4,546,578	439,234	0	0	7,827,303	15.28
Baltimore City	0	0	0	0	0	0	0.00
Baltimore	0	0	0	0	0	0	0.00
Calvert	1,887,058	846,757	0	314,510	84,675	3,133,000	35.51
Caroline	242,724	0	0	0	0	242,724	7.38
Carroll	1,221,759	0	0	128,701	0	1,350,460	7.98
Cecil	0	0	0	0	0	0	0.00
Charles	4,127,883	0	0	0	0	4,127,883	29.39
Dorchester	736,530	0	46,803	0	0	783,333	24.60
Frederick	5,401,823	1,396,433	0	0	0	6,798,256	30.25
Garrett	0	0	0	0	0	0	0.00
Harford	2,699,380	0	0	0	0	2,699,380	11.25
Howard	4,681,678	4,961,887	0	0	0	9,643,565	35.24
Kent	0	0	0	0	0	0	0.00
Montgomery	6,767,000	9,744,000	0	0	0	16,511,000	17.74
Prince George's	27,596,229	0	0	0	0	27,596,229	33.30
Queen Anne's	1,011,014	0	329,122	115,987	0	1,456,123	31.27
St. Mary's	2,743,875	374,700	0	421,875	0	3,540,450	35.27
Somerset	0	0	0	0	0	0	0.00
Talbot	292,956	321,330	0	53,934	117,592	785,812	21.71
Washington	1,472,040	923,969	0	0	59,624	2,455,633	16.92
Wicomico	782,097	0	0	0	0	782,097	8.36
Worcester	0	0	0	0	0	0	0.00
Total	\$64,505,537	\$23,115,654	\$815,159	\$1,035,007	\$261,891	\$89,733,248	\$15.97
Share of Total	71.9%	25.8%	0.9%	1.2%	0.3%	100.0%	

Source: Department of Legislative Services

Chapter 2. Local Government and State Legislative Actions

Local Government Actions

Since the publishing of *Managing Growth: The Use of Development Impact Fees and Building Excise Taxes in Maryland*, Anne Arundel and Washington counties have made notable changes to their impact fee and building excise tax ordinances.

Anne Arundel County

After lengthy consideration of a change to Anne Arundel County's impact fees, to better account for the costs of new development, the county council passed an ordinance that, among other things, initially lowers both the residential and nonresidential impact fees for 2009 but increases them in 2010 and 2011 to eventually be, on average, noticeably higher than they are in 2008. The ordinance restructures the fees for residential development to be imposed at different rates depending on the total square footage of the finished area of a residential unit. The ordinance also specifies exemptions for low-to-moderate income housing constructed by, or under a program sponsored by, a nonprofit entity in existence for at least three years and assisted living facilities, hospice facilities, hospitals, and nursing homes that will be owned and operated by a nonprofit entity in existence for at least three years. The General Assembly approved legislation at the 2008 session (Chapter 509) that authorized the county to grant exemptions for nonprofit development.

Washington County

As mentioned in the 2008 report, legislation adopted at the 2007 session (Chapter 277) required the Washington County Commissioners to appoint a task force to study and make recommendations concerning the excise tax rates and structure for residential development. The task force undertook an expanded scope of study at the direction of the county commissioners, addressing the entire building excise tax ordinance. Task force recommendations included eliminating the matrix of per square foot tax rates for nonresidential construction in favor of a flat rate and basing the tax rate for residential construction on square footage rather than dwelling units.

During the 2008 session, the General Assembly approved legislation (Chapter 533) that modified the county's authority to impose a building excise tax. The county commissioners subsequently repealed and reenacted the county's building excise tax ordinance citing changes in conditions, developments since the original adoption of the ordinance (in 2003), and changes in the authorizing legislation (Chapter 533), as making it necessary to update the ordinance. The new ordinance establishes a base building excise tax for residential construction of \$3 per square foot of habitable gross square footage. The rate for residential addition construction is one-half that amount. Similar to the old ordinance, in a single subdivision or development for which 25

building permits for new residential dwelling units have been issued in a fiscal year, in specified instances, the building excise tax is doubled for the twenty-sixth or any subsequent units that a building permit is applied for in the same fiscal year.

The new ordinance establishes flat rates of \$3 per square foot for nonresidential, retail construction and \$1 per square foot for nonresidential, nonretail construction. These rates are also shown in **Appendix 15**.

State Legislative Actions

At the 2008 session, the General Assembly approved several bills relating to development impact fees and excise taxes including a statewide measure that authorizes local jurisdictions to waive or modify development fees for low-income housing units. Bills that affected Anne Arundel, Prince George's, and Washington counties were also approved. The General Assembly did not approve legislation that would have enabled municipalities to impose building excise taxes.

Statewide Exemptions for Low-income Housing Units

Chapters 386 and 387 authorize a county or municipality to waive or modify building permit or development impact fees and charges that are not mandated under State law, for the construction or rehabilitation of lower-income housing units in order to support, foster, or promote an affordable housing program. The amount of the fee and charges that may be waived must be in proportion to the number of lower-income housing units of a development.

The lower-income housing units must be financed, in whole or in part, by public funding that requires mortgage restrictions or recorded covenants restricting the rental or sale of the housing units to lower-income residents in accordance with specific government program requirements; or be developed by a nonprofit organization that has been exempt from federal taxation under § 501(c)(3) of the Internal Revenue Code for at least three years and requires the homebuyer to participate in the construction or rehabilitation of the housing unit.

The Department of Housing and Community Development must report to the General Assembly by October 1, 2010, on the counties and municipalities that waived or modified permit or development fees; the number and type of housing units for which fees were waived or modified; and the amount of fees waived and collected in accordance with the enactment. The enactment of the legislation terminates September 30, 2011.

Exemptions for Nonprofit Entities in Anne Arundel County

Chapter 509 authorizes Anne Arundel County to grant exemptions from or credits against development impact fees for development by nonprofit entities that have been in existence for at least three years. The county council must adopt an ordinance that sets the amount of the exemptions or credits, establishes conditions of eligibility, and adopts application procedures.

Exemptions for Replacement Dwellings in Prince George's County

Chapter 108 provides that the Prince George's County school facilities surcharge does not apply to a single-family dwelling unit to be built or subcontracted by an individual owner to replace, on the same lot, a previously existing single-family dwelling unit destroyed by fire, explosion, or a natural disaster. The new dwelling unit must be similar to the previously existing dwelling unit and owned and occupied by the same individual.

Modification to Building Excise Tax in Washington County

Chapter 533 made several changes to the Washington County building excise tax with the most significant change being the modification to the building excise tax rate limits. In addition, a school capacity limit, which authorizes a higher building excise tax on specified residential subdivision development of more than 25 units in a school district that exceeds the limit, was adjusted from 85 to 90 percent of State rated school capacity. The county's existing authorization to impose up to twice the building excise tax on residential units, in specified instances, was amended to apply specifically where 25 building permits have been issued by the county for new residential units in a single subdivision within a fiscal year. The exemption for the first 50,000 square feet of nonresidential additional construction was repealed along with an authorization for the county commissioners to waive building excise taxes for certain nonresidential building types or uses. An authorization for the county commissioners to provide for additional exemptions was also repealed. Finally, the building excise tax credit for workforce housing was eliminated.

Authority for Municipalities to Impose Building Excise Taxes

Legislation was introduced at the 2008 session (Senate Bill 791/House Bill 663) that would have enabled a municipality to impose a building excise tax on any building construction within its jurisdiction and provide for tax credits against and exemptions from the building excise tax. The legislation received an unfavorable report from the Senate Budget and Taxation Committee. The House Committee on Ways and Means did not take action on the bill.

Under the Maryland Constitution, a municipality must have the express authorization of the General Assembly before it may impose any type of new tax or fee. In an opinion from 2004, the Maryland Attorney General concluded that a municipality could impose an impact fee as a valid regulatory measure. However, to constitute a valid regulatory fee, the municipality

would need to show a reasonable connection between the new development and infrastructure as well as a reasonable connection between use of the resulting revenues and benefit to the property assessed. Pursuant to this legislation, these conditions would not have to be met since the legislation authorizes the imposition of a building excise tax instead of an impact fee.

Appendix 1

Impact Fees in Anne Arundel County Fiscal 2009/2010 (effective January 1, 2009 – December 31, 2010)

<u>Land Use Type</u>	<u>Levy</u>	<u>Transportation</u>	<u>School</u>	<u>Public Safety</u>	<u>Total</u>
Residential					
Under 500 feet	per unit	\$252	\$381	\$17	\$650
500 – 999 feet	per unit	413	700	28	1,141
1,000 – 1,499 feet	per unit	536	960	36	1,532
1,500 – 1,999 feet	per unit	622	1,131	42	1,795
2,000 – 2,499 feet	per unit	687	1,259	46	1,992
2,500 – 2,999 feet	per unit	736	1,361	49	2,146
3,000 – 3,499 feet	per unit	774	1,446	52	2,272
3,500 – 3,999 feet	per unit	810	1,519	54	2,383
4,000 – 4,499 feet	per unit	842	1,583	56	2,481
4,500 – 4,999 feet	per unit	871	1,639	58	2,568
5,000 – 5,499 feet	per unit	896	1,690	60	2,646
5,500 – 5,999 feet	per unit	917	1,737	61	2,715
6,000 feet and over	per unit	927	1,758	62	2,747
Amusement, rec., place of assembly	Per req'd parking space	177	0	7	184
Hotel/Motel	per room	853	0	22	875
Industrial	per 1,000 sq. ft.	736	0	27	763
Mini-warehouse	per 1,000 sq. ft.	121	0	6	127
For-profit hospital	per bed	960	0	29	989
For-profit nursing home	per bed	214	0	23	237
Marinas	per berth	242	0	9	251
Office space					
Less than 100,000 sq. ft.	per 1,000 sq. ft.	1,190	0	65	1,255
100,000-199,999 sq. ft.	per 1,000 sq. ft.	1,031	0	58	1,089
200,000 sq. ft. or more	per 1,000 sq. ft.	918	0	53	971
Mercantile	per 1,000 sq. ft.	1,240	0	165	1,405

Note: The listed rates for 2009 reflect changes made in a recently enacted ordinance, including a restructuring of the residential rates and an initial decrease in residential and nonresidential rates in comparison to those applicable in 2008. The rates, however, increase in 2010 and 2011 to eventually be, on average, noticeably higher than the 2008 rates. The fees are subject to an adjustment at the beginning of each fiscal year in accordance with the percent change in a specified construction cost index.

Source: Anne Arundel County

Appendix 2

Excise Taxes in Calvert County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Schools</u>	<u>Recreation</u>	<u>Roads</u>	<u>Solid Waste</u>	<u>Total Excise Tax</u>
Single-family detached	per unit	\$7,800	\$1,300	\$3,500	\$350	\$12,950
Single-family attached	per unit	5,175	1,300	3,500	350	10,325
Manufactured home	per unit	3,900	1,300	3,500	350	9,050
Apartment	per unit	2,600	1,300	3,500	350	7,750
Bona fide elderly unit	per unit	N/A	1,300	3,500	350	5,150
Commercial, industrial, or institutional	per sq. ft.	N/A	N/A	N/A	0.11	0.11

Source: Calvert County

Appendix 3

Excise Taxes in Caroline County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>School Construction</u>	<u>Agricultural Land Preservation</u>
Residential subdivision			
Single-family development (including manufactured homes)	per lot	\$5,000	N/A
Other residential	per unit per lot	5,000	N/A
Subdivision of land in a rural district	per lot	N/A	750

Source: Caroline County

Appendix 4

Impact Fees in Carroll County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Impact Fee</u>
Residential		
Single-family	per unit	\$6,836
Mobile home	per unit	3,599
Townhouse	per unit	7,610
Multifamily	per unit	2,787

Source: Carroll County

Appendix 5

Excise Taxes in Charles County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Excise Tax</u>
Single-family	per unit	\$11,598
Townhouses	per unit	11,000
Multifamily (including mobile homes)	per unit	8,370

Source: Charles County

Appendix 6

Excise Taxes in Dorchester County Fiscal 2009

Cambridge/Hurlock

<u>Land Use Type</u>	<u>Levy</u>	<u>Schools</u>	<u>Communication Systems</u>	<u>Sheriff</u>	<u>Total Excise Tax</u>
Residential					
Single-family	per unit	\$3,555	\$87	\$29	\$3,671
Multifamily	per unit	2,510	72	22	2,604
Nonresidential					
Commercial/shop. ctr.*	per sq. ft.		0.029-0.044		0.029-0.044
Office*	per sq. ft.		0.047-0.057		0.047-0.057
Business park	per sq. ft.		0.041		0.041
Manufacturing	per sq. ft.		0.024		0.024
Warehousing	per sq. ft.		0.017		0.017

Other Municipalities/Unincorporated

<u>Land Use Type</u>	<u>Levy</u>	<u>Schools</u>	<u>Communication Systems</u>	<u>Sheriff</u>	<u>Total Excise Tax</u>
Residential					
Single-family	per unit	\$3,555	\$87	\$123	\$3,765
Multifamily	per unit	2,510	72	108	2,690
Nonresidential					
Commercial/shop. ctr.*	per sq. ft.		0.029-0.044	0.502-0.725	0.531-0.769
Office*	per sq. ft.		0.047-0.057	0.085-0.333	0.242-0.390
Business park	per sq. ft.		0.041	0.188	0.229
Manufacturing	per sq. ft.		0.024	0.056	0.080
Warehousing	per sq. ft.		0.017	0.073	0.090

* Rates vary according to the total square footage of the development.

Note: Additional rates exist for day care, hospital, light industrial, lodging, medical/dental office building, mini-warehouse, and nursing home land uses.

Source: Dorchester County

Appendix 7

Impact Fees and Excise Taxes in Frederick County Fiscal 2009

Impact Fees

<u>Land Use Type</u>	<u>Levy</u>	<u>Public School</u>	<u>Library</u>	<u>Total Impact Fee</u>
Single-family detached	per unit	\$12,963	\$770	\$13,733
Townhouse/duplex	per unit	11,113	720	11,833
All other residential (including manufactured homes)	per unit	2,129	484	2,613

Excise Taxes

<u>Land Use Type</u>	<u>Levy</u>	<u>Tax</u>
Residential*		
First 700 gross sq. ft.	per sq. ft.	\$0.00
701 sq. ft.-1,400 sq. ft.	per sq. ft.	0.10
In excess of 1,400 sq. ft.	per sq. ft.	0.25
Nonresidential	per sq. ft.	0.75

* Any gross square footage of multifamily residential construction not within a dwelling unit is allocated on a pro rata basis to each dwelling unit within the building.

Source: Frederick County

Appendix 8

Impact Fees in Harford County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Impact Fee</u>
Residential		
Single-family detached	per unit	\$8,269
Townhouse/duplex	per unit	5,720
All other residential (including manufactured homes)	per unit	1,637

Source: Harford County

Appendix 9

Excise Taxes in Howard County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Excise Tax</u>
Residential		
First 500 sq. ft.	per unit	\$400*
In excess of 500 sq. ft.	per sq. ft.	0.90
Office/retail	per sq. ft.	0.90
Distribution/manufacturing	per sq. ft.	0.45
Institutional/other	per sq. ft.	0.45

Note: An additional \$1.14 per square feet public school facilities surcharge is imposed on all residential development, regardless of its size.

* In *Managing Growth: The Use of Development Impact Fees and Building Excise Taxes in Maryland*, 2008, the rate for the first 500 square feet of residential construction is listed as \$440. The county's resolution setting the schedule of rates for the building excise tax effective July 1, 2007, listed the rate for the first 500 sq. ft. of residential construction as \$440. The county code, however, sets the rate at \$400. The resolution setting the schedule of rates effective July 1, 2008, was made consistent with the county code.

Source: Howard County

Appendix 10

Impact Taxes in Montgomery County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>General</u>	<u>Transportation*</u> <u>Metro Station</u>	<u>Clarksburg</u>	<u>Public Schools**</u>
Residential					
Single-family detached	per unit	\$10,649	\$5,325	\$15,973	\$20,456
Single-family attached	per unit	8,713	4,357	13,070	15,401
Multifamily residential (except high rise)	per unit	6,776	3,388	10,164	9,734
High-rise residential	per unit	4,840	2,420	7,261	4,127
Multifamily senior residential	per unit	1,936	968	2,904	0
Nonresidential					
Office	per sq. ft.	9.69	4.85	11.65	N/A
Industrial	per sq. ft.	4.85	2.43	5.78	N/A
Bioscience facility	per sq. ft.	0.00	0.00	0.00	N/A
Retail	per sq. ft.	8.67	4.34	10.46	N/A
Place of worship	per sq. ft.	0.51	0.26	0.68	N/A
Private elementary and secondary school	per sq. ft.	0.77	0.39	1.02	N/A
Hospital	per sq. ft.	0.00	0.00	0.00	N/A
Social service provider	per sq. ft.	0.00	0.00	0.00	N/A
Other nonresidential	per sq. ft.	4.85	2.43	5.78	N/A

*The transportation impact tax is imposed on each property according to which of the three subcategories in which it is classified.

**The public school impact tax on any single-family detached or attached dwelling unit is increased by \$2 for each square foot of gross floor area that exceeds 3,500 square feet, to a maximum of 8,500 square feet.

Source: Montgomery County

Appendix 11

Surcharges in Prince George's County Fiscal 2009

<u>Location of Development</u>	<u>Levy</u>	<u>School Facilities</u>	<u>Public Safety</u>
Outside of the Capital Beltway *	per unit	\$14,019	\$0
Inside of the Capital Beltway	per unit	8,177	0
Outside of the developed tier	per unit	0	6,619
Inside of the developed tier	per unit	0	2,207

* The construction surcharge for certain developments that abut an existing or planned mass transit rail station site is \$8,177.

Source: Prince George's County

Appendix 12

Impact Fees in Queen Anne's County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Public Schools</u>	<u>Fire/EMS</u>	<u>Parks and Recreation</u>	<u>Total Impact Fee</u>
Residential					
All residential	per sq. ft.	\$3.31	\$0.38	\$0.36	\$4.05
Nonresidential					
Commercial/shop. ctr.*	per sq. ft.	N/A	0.90-1.29	N/A	0.90-1.29
Office*	per sq. ft.	N/A	1.51-1.80	N/A	1.51-1.80
Business Park	per sq. ft.	N/A	1.41	N/A	1.41
Light industrial	per sq. ft.	N/A	1.03	N/A	1.03
Warehousing	per sq. ft.	N/A	0.57	N/A	0.57
Institutional	per sq. ft.	N/A	0.35	N/A	0.35

*Rates vary according to the total square footage of the development.

Note: There is a 50 percent reduction on development impact fees imposed on nonresidential development within a designated growth area or within an incorporated municipality. The impact fees on all other nonresidential development are reduced by 25 percent.

EMS = Emergency Medical Services.

Source: Queen Anne's County

Appendix 13

Impact Fees in St. Mary's County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Schools</u>	<u>Roads</u>	<u>Parks and Recreation</u>	<u>Total Impact Fee</u>
Residential	per unit	\$3,375	\$450	\$675	\$4,500

Source: St. Mary's County

Appendix 14

Impact Fees in Talbot County Fiscal 2008

		Outside Municipalities							
<u>Land Use Type</u>	<u>Levy</u>	<u>Library</u>	<u>Parks and Recreation</u>	<u>Public Schools</u>	<u>Community College</u>	<u>General Government</u>	<u>Transportation</u>	<u>Total Impact Fee</u>	
Residential									
Single-family detached	per unit	\$464	\$899	\$2,522	\$98	\$942	\$759	\$5,684	
Other residential	per unit	355	690	1,767	75	723	523	4,133	
Nonresidential									
Commercial/shop. ctr.*	per sq. ft.	N/A	N/A	N/A	N/A	0.28-0.39	2.14-3.30	2.42-3.69	
Office*	per sq. ft.	N/A	N/A	N/A	N/A	0.46-0.57	0.98-1.66	1.44-2.23	
Business park	per sq. ft.	N/A	N/A	N/A	N/A	0.42	0.94	1.36	
Light industrial	per sq. ft.	N/A	N/A	N/A	N/A	0.32	0.51	0.83	
Manufacturing	per sq. ft.	N/A	N/A	N/A	N/A	0.26	0.28	0.54	
Warehousing	per sq. ft.	N/A	N/A	N/A	N/A	0.19	0.36	0.55	
		Inside Municipalities							
<u>Land Use Type</u>	<u>Levy</u>	<u>Library</u>	<u>Parks and Recreation</u>	<u>Public Schools</u>	<u>Community College</u>	<u>General Government</u>	<u>Transportation</u>	<u>Total Impact Fee</u>	
Residential									
Single-family detached	per sq. ft.	\$475	\$304	\$2,522	\$100	\$752	\$759	\$4,912	
Other residential	per sq. ft.	357	229	1,767	75	564	523	3,515	
Nonresidential									
Commercial/shop. ctr.*	per sq. ft.	N/A	N/A	N/A	N/A	0.19-0.26	2.13-3.30	2.32-3.56	
Office*	per sq. ft.	N/A	N/A	N/A	N/A	0.29-0.35	0.98-1.66	1.27-2.01	
Business park	per sq. ft.	N/A	N/A	N/A	N/A	0.27	0.94	1.21	
Light industrial	per sq. ft.	N/A	N/A	N/A	N/A	0.21	0.51	0.72	
Manufacturing	per sq. ft.	N/A	N/A	N/A	N/A	0.15	0.28	0.43	
Warehousing	per sq. ft.	N/A	N/A	N/A	N/A	0.10	0.36	0.46	

* Rates vary according to the total square footage of the development.

Source: Talbot County

Appendix 15

Excise Taxes in Washington County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Excise Tax</u>
Residential development (units 1-25)	per sq. ft.	\$3.00
Residential Addition Construction	per sq. ft.	\$1.50
Large residential development (over 25 units) *	per sq. ft.	\$6.00
Nonresidential Nonretail Construction **	per sq. ft.	\$1.00
Nonresidential Retail Construction **	per sq. ft.	\$3.00

*Excise tax imposed beginning with the twenty-sixth unit under specified circumstances.

**The same rate applies to nonresidential addition construction.

Source: Washington County

Appendix 16

Impact Fees in Wicomico County Fiscal 2009

<u>Land Use Type</u>	<u>Levy</u>	<u>Impact Fee</u>
Single-family detached (including manufactured homes)	per unit	\$5,231
Other residential	per unit	1,524

Source: Wicomico County