

Office of the County Auditor
Auditor's Analysis

Council Bill No. 45-2022

Introduced: June 6, 2022

Auditor: Michael A. Martin

Fiscal Impact:

According to the Administration's testimony, there will be no fiscal impact of this legislation as the County has historically assessed the Building Excise Tax on the natural ventilated portion of parking garages and facilities.

However, the Director of the Department of Inspections, Licenses, and Permits (the Director) confirmed there could be a fiscal impact should this legislation not be approved. This is because the County's interpretation of the Code as it is currently written was challenged by the Howard Hughes Corporation (the Corporation), which was successful in the Maryland Tax Court in its bid to force the County to reimburse to it for previously paid Building Excise Tax. The County is appealing the decision. If it is not overturned, and the legislation is not passed, future assessments of the natural ventilated portion of parking garages and facilities could possibly no longer be assessed.

Purpose:

This legislation updates Building Excise Tax definitions under Section 20.502 of the County Code to better clarify how this fee is applicable to parking garages and similar structures. This legislation proposes the following changes to the County Code:

- *Building* now represents any structure utilized or intended to support occupancy.
- *Distribution and manufacturing* structures now include parking garages, parking facilities, and similar structures.
- *Occupiable* structures include those equipped with code-compliant ventilation regardless of whether it is mechanical or natural ventilation.

Other Comments:

None.