

(II) FILED WITH THE MARYLAND DEPARTMENT OF ASSESSMENTS AND TAXATION.

(2) THE COUNTY COMMISSIONERS MAY NOT IMPOSE A TRANSFER TAX UNLESS THE COUNTY IMPOSES A BUILDING EXCISE TAX AS AUTHORIZED UNDER § 2-701 OF THIS SUBTITLE.

(C) THE TRANSFER TAX RATE UNDER THIS SECTION:

(1) SHALL BE ESTABLISHED BY ORDINANCE; AND

(2) MAY NOT EXCEED:

(I) 0.5% FOR A FISCAL YEAR BEGINNING AFTER JUNE 30, 2003, BUT BEFORE JULY 1, 2008; AND

(II) 1% FOR ~~ALL FISCAL YEARS~~ ANY FISCAL YEAR BEGINNING AFTER JUNE 30, 2008.

(D) (1) THE COUNTY DIRECTOR OF FINANCE SHALL DEPOSIT THE REVENUES FROM THE TRANSFER TAX INTO A SPECIAL FUND.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE REVENUES FROM THE TRANSFER TAX MAY BE USED ONLY FOR:

(I) SCHOOL RENOVATION AND CONSTRUCTION;

(II) PUBLIC SAFETY, INCLUDING GRANTS AND LOANS TO VOLUNTEER FIRE AND RESCUE COMPANIES FOR CAPITAL EXPENDITURES;

(III) TRANSPORTATION PROJECTS; AND

(IV) DEBT REDUCTION.

(3) FOR EACH FISCAL YEAR, AT LEAST \$400,000 OF THE REVENUES FROM THE TRANSFER TAX SHALL BE USED FOR AGRICULTURAL LAND PRESERVATION AND OTHER MEASURES TO ENHANCE THE VIABILITY OF AGRICULTURE IN WASHINGTON COUNTY.

(E) (1) THE TRANSFER TAX DOES NOT APPLY TO:

(I) AN INSTRUMENT OF WRITING EXEMPT FROM THE STATE TRANSFER TAX UNDER § 13-207 OF THE TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND; OR

(II) A TRANSFER OF LAND SUBJECT TO THE AGRICULTURAL LAND TRANSFER TAX UNDER TITLE 13, SUBTITLE 3 OF THE TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

(2) THE COUNTY COMMISSIONERS MAY PROVIDE FOR ADDITIONAL EXEMPTIONS TO THE TRANSFER TAX, INCLUDING, BUT NOT LIMITED TO, EXEMPTIONS FOR:

(I) FIRST-TIME HOME BUYERS;