HOUSE BILL 1219

Q1, L2

1lr2915

By: **Delegate Ross**
Introduced and read first time: February 18, 2011
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Tax Increment Financing – Effect on State Aid**

3 FOR the purpose of providing that a certain portion of the assessable base of real
4 property located in certain designated development districts may not be treated
5 as taxable real property for purposes of calculating the payment of certain State
6 aid to local jurisdictions; providing for the application of this Act; and generally
7 relating to the treatment of the assessable base of certain real property located
8 in certain designated development districts for purposes of certain State aid to
9 local jurisdictions.

10 BY repealing and reenacting, without amendments,
11 Article – Economic Development
12 Section 12–201(p)
13 Annotated Code of Maryland
14 (2008 Volume and 2010 Supplement)

15 BY adding to
16 Article – Economic Development
17 Section 12–211.1
18 Annotated Code of Maryland
19 (2008 Volume and 2010 Supplement)

20 BY repealing and reenacting, without amendments,
21 The Charter of Baltimore City
22 Article II – General Powers
23 Section (62)(b)(16)
24 (2007 Replacement Volume, as amended)

25 BY adding to
26 The Charter of Baltimore City
27 Article II – General Powers

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets] indicate matter deleted from existing law.

1   Section (62)(k)
2   (2007 Replacement Volume, as amended)

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

5   **Article – Economic Development**

6   12–201.

7   (p)   "Tax increment" means for any tax year the amount by which the
8   assessable base as of January 1 of the preceding tax year exceeds the original taxable
9   value divided by the assessment ratio used to determine the original taxable value.

10   **12–211.1.**

11   **WHILE THE RESOLUTION ADOPTED IN ACCORDANCE WITH § 12–203(A)(1)**
12   **OF THIS SUBTITLE IS IN EFFECT, THE TAX INCREMENT FOR REAL PROPERTY IN**
13   **A DEVELOPMENT DISTRICT MAY NOT BE TREATED AS TAXABLE REAL PROPERTY**
14   **FOR THE PURPOSE OF COMPUTING ANY PAYMENTS OF STATE AID TO**
15   **EDUCATION UNDER § 5–202 OF THE EDUCATION ARTICLE OR OTHER PAYMENTS**
16   **OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW ARE**
17   **BASED ON THE ASSESSMENT OF PROPERTY.**

18   **The Charter of Baltimore City**

19   Article II – General Powers

20   The Mayor and City Council of Baltimore shall have full power and authority to
21   exercise all of the powers heretofore or hereafter granted to it by the Constitution of
22   Maryland or by any Public General or Public Local Laws of the State of Maryland; and
23   in particular, without limitation upon the foregoing, shall have power by ordinance, or
24   such other method as may be provided for in its Charter, subject to the provisions of
25   said Constitution and Public General Laws.

26   (62)

27   (b)   (16)   "Tax increment" means for any tax year the amount by which the
28   assessable base as of January 1 preceding that tax year exceeds the original taxable
29   value, divided by the assessment ratio used to determine the original taxable value.

30   **(K)   WHILE THE ORDINANCE ADOPTED IN ACCORDANCE WITH**
31   **SUBSECTION (D) OF THIS SECTION IS IN EFFECT, THE TAX INCREMENT FOR**
32   **REAL PROPERTY IN A DEVELOPMENT DISTRICT MAY NOT BE TREATED AS**
33   **TAXABLE REAL PROPERTY FOR THE PURPOSE OF COMPUTING ANY PAYMENTS**
34   **OF STATE AID TO EDUCATION UNDER § 5–202 OF THE EDUCATION ARTICLE OR**

1 **OTHER PAYMENTS OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS**
2 **THAT BY LAW ARE BASED ON THE ASSESSMENT OF PROPERTY.**

3   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2011, and shall be applicable to the calculation of any payments of State aid
5 for the fiscal year that begins July 1, 2011, and for each subsequent fiscal year.