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**By: Delegates Rosenberg and Campbell**

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore Metropolitan Regional Property Tax Base Sharing**

3 FOR the purpose of establishing a separate property tax subclass in real property for  
4 commercial-industrial property; establishing a Baltimore Metropolitan Regional  
5 Property Tax Base Sharing District; allocating among the counties, including  
6 Baltimore City in the district, a portion of the increase over a certain base year in  
7 the assessed valuation of commercial-industrial real property in the district;  
8 providing for the annual taxation of the increase over a certain base year in the  
9 assessed valuation of commercial-industrial real property in the district; providing  
10 for certain certifications; providing for the distribution of the revenue from certain  
11 taxes to the counties in the district; creating a special account to which the  
12 Comptroller shall deposit certain taxes and from which the Comptroller shall make  
13 certain distributions to the counties in the district; defining certain terms; providing  
14 for the application of this Act; and generally relating to a property tax base sharing  
15 system based on growth in assessed value of commercial and industrial real property  
16 in a certain region of the State.

17 BY repealing and reenacting, without amendments,  
18 Article - Tax - Property  
19 Section 1-101(g)  
20 Annotated Code of Maryland  
21 (1994 Replacement Volume and 1995 Supplement)

22 BY adding to  
23 Article - Tax - Property  
24 Section 6-501 through 6-507, inclusive, to be under the new subtitle "Subtitle 5.  
25 Baltimore Metropolitan Regional Property Tax Sharing"; and 8-101(d)  
26 Annotated Code of Maryland  
27 (1994 Replacement Volume and 1995 Supplement)

28 BY repealing and reenacting, with amendments,  
29 Article - Tax - Property  
30 Section 8-101(b)  
31 Annotated Code of Maryland  
32 (1994 Replacement Volume and 1995 Supplement)

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

3 **Article - Tax - Property**

4 1-101.

5 (g) "County" means a county of the State and, unless expressly provided  
6 otherwise, Baltimore City.

7 SUBTITLE 5. BALTIMORE METROPOLITAN REGIONAL PROPERTY TAX SHARING.

8 6-501.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (B) "ASSESSED VALUE" MEANS THE ASSESSMENT OF PROPERTY UNDER TITLE  
12 8, SUBTITLE 1 OF THIS ARTICLE.

13 (C) "DISTRICT" MEANS THE BALTIMORE METROPOLITAN REGIONAL  
14 PROPERTY TAX BASE SHARING DISTRICT ESTABLISHED UNDER § 6-502 OF THIS  
15 SUBTITLE.

16 (D) "COMMERCIAL-INDUSTRIAL PROPERTY" HAS THE MEANING STATED IN §  
17 8-101(D) OF THIS ARTICLE.

18 (E) "COUNTY PER CAPITA ASSESSED VALUATION" MEANS A COUNTY'S TOTAL  
19 ASSESSED VALUE, DETERMINED AS OF THE DATE OF FINALITY OF ANY YEAR,  
20 DIVIDED BY ITS ESTIMATED POPULATION AS OF JANUARY 1 IN THE SAME YEAR.

21 (F) "POPULATION" MEANS THE POPULATION ESTIMATE, AS OF JANUARY 1, OF  
22 THE COUNTIES MADE BY THE SECRETARY OF HEALTH AND MENTAL HYGIENE.

23 (G) "REVENUE" MEANS THE PART OF A COUNTY'S ADOPTED BUDGET THAT IS  
24 DESIGNATED TO BE RAISED BY TAXATION OF REAL AND PERSONAL PROPERTY.

25 (H) "DISTRICT PER CAPITA ASSESSED VALUATION" MEANS THE TOTAL  
26 ASSESSED VALUE OF ALL PROPERTY IN THE DISTRICT DETERMINED AS OF THE  
27 DATE OF FINALITY OF ANY YEAR, DIVIDED BY THE TOTAL POPULATION OF THE  
28 DISTRICT, DETERMINED AS OF JANUARY 1 IN THE SAME YEAR.

29 6-502.

30 (A) THE GENERAL ASSEMBLY FINDS IT DESIRABLE TO IMPROVE THE  
31 REVENUE RAISING AND DISTRIBUTION SYSTEM THROUGHOUT THE BALTIMORE  
32 METROPOLITAN REGION TO ACCOMPLISH THE FOLLOWING OBJECTIVES:

33 (1) TO ALLOW ALL THE COUNTIES IN THE REGION TO SHARE IN THE  
34 RESOURCES GENERATED BY COMMERCIAL-INDUSTRIAL GROWTH IN THE REGION  
35 WITHOUT REMOVING CONTROL OF RESOURCES THAT LOCAL GOVERNMENTS  
36 ALREADY HAVE;

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1 (2) TO INCREASE THE LIKELIHOOD OF ORDERLY DEVELOPMENT IN  
2 THE REGION BY REDUCING THE IMPACT OF FISCAL CONSIDERATIONS ON THE  
3 LOCATION OR EXPANSION OF COMMERCIAL-INDUSTRIAL BUSINESS;

4 (3) TO ESTABLISH INCENTIVES FOR ALL PARTS OF THE REGION TO  
5 WORK FOR THE DEVELOPMENT OF THE REGION AS A WHOLE;

6 (4) TO PROVIDE A METHOD FOR MAKING THE REGION'S RESOURCES  
7 AVAILABLE WITHIN AND THROUGH THE EXISTING SYSTEM OF LOCAL  
8 GOVERNMENTS AND LOCAL DECISION MAKING;

9 (5) TO HELP THOSE COUNTIES IN THE REGION IN DIFFERENT STAGES  
10 OF DEVELOPMENT BY MAKING RESOURCES INCREASINGLY AVAILABLE TO THOSE  
11 COUNTIES IN A STAGE OF DEVELOPMENT AND REDEVELOPMENT WHEN FINANCIAL  
12 PRESSURES ON THEM ARE THE GREATEST; AND

13 (6) TO ENCOURAGE PROTECTION OF THE ENVIRONMENT BY REDUCING  
14 THE IMPACT OF FISCAL CONSIDERATIONS SO THAT FLOODPLAINS CAN BE  
15 PROTECTED AND LAND FOR PARKS AND OPEN SPACE CAN BE PRESERVED.

16 (B) (1) THERE IS A BALTIMORE METROPOLITAN REGION PROPERTY TAX  
17 BASE SHARING DISTRICT.

18 (2) THE DISTRICT CONSISTS OF THE TERRITORY INCLUDED WITHIN THE  
19 BOUNDARIES OF ANNE ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE COUNTY,  
20 CARROLL COUNTY, HARFORD COUNTY, OR HOWARD COUNTY.

21 (C) THE DIRECTOR SHALL ADMINISTER THIS SUBTITLE.

22 6-503.

23 (A) (1) ON OR AFTER JANUARY 1, 1997, BUT NO LATER THAN APRIL 1, 1997,  
24 THE DEPARTMENT SHALL DETERMINE THE ASSESSED VALUATION OF  
25 COMMERCIAL-INDUSTRIAL REAL PROPERTY SUBJECT TO TAXATION IN EACH  
26 COUNTY IN THE DISTRICT ON JANUARY 1, 1996.

27 (2) THE COMMERCIAL-INDUSTRIAL ASSESSED VALUATION FOR EACH  
28 COUNTY SHALL BE KNOWN AS THE COUNTY'S BASE YEAR  
29 COMMERCIAL-INDUSTRIAL ASSESSED VALUATION.

30 (B) ON OR AFTER JANUARY 1 BUT NO LATER THAN APRIL 1 OF 1997 AND OF  
31 EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL:

32 (1) DETERMINE THE ASSESSED VALUATION FOR THE CURRENT YEAR  
33 OF COMMERCIAL-INDUSTRIAL REAL PROPERTY SUBJECT TO TAXATION IN EACH  
34 COUNTY IN THE DISTRICT;

35 (2) DETERMINE FOR EACH COUNTY IN THE DISTRICT THE AMOUNT, IF  
36 ANY, BY WHICH THE COMMERCIAL-INDUSTRIAL ASSESSED VALUATION FOR THE  
37 CURRENT YEAR EXCEEDS THE BASE YEAR COMMERCIAL-INDUSTRIAL ASSESSED  
38 VALUATION;

39 (3) DETERMINE THE SUM OF THE INCREASES IN THE  
40 COMMERCIAL-INDUSTRIAL ASSESSED VALUATION OF THE COUNTIES IN THE

4  
1 DISTRICT AND MULTIPLY THE SUM BY 40%, THE RESULTING AMOUNT TO BE KNOWN  
2 AS THE DISTRICT TAX BASE, WHICH SHALL BE CERTIFIED TO EACH COUNTY AND TO  
3 THE BOARD OF PUBLIC WORKS;

4 (4) DETERMINE THE DISTRICT TAX BASE DISTRIBUTION INDEX FOR  
5 EACH COUNTY, AS FOLLOWS:

6 (I) DETERMINE THE COUNTY PER CAPITA ASSESSED VALUATION  
7 FOR EACH COUNTY;

8 (II) DETERMINE THE DISTRICT PER CAPITA ASSESSED VALUATION;  
9 AND

10 (III) COMPUTE THE DISTRIBUTION INDEX FOR EACH COUNTY BY  
11 MULTIPLYING THE COUNTY'S POPULATION BY THE RESULT OBTAINED BY DIVIDING  
12 THE DISTRICT PER CAPITA ASSESSED VALUATION BY THE COUNTY PER CAPITA  
13 ASSESSED VALUATION;

14 (5) DETERMINE THE SUM OF THE DISTRICT TAX BASE DISTRIBUTION  
15 INDICES;

16 (6) DETERMINE FOR EACH COUNTY THE PROPORTION THAT ITS INDEX  
17 BEARS TO THE SUM OF THE INDICES, THE RESULTING PERCENT REPRESENTING THE  
18 COUNTY'S SHARE OF THE DISTRICT TAX BASE; AND

19 (7) DETERMINE FOR EACH COUNTY ITS PROPORTIONAL SHARE OF THE  
20 DISTRICT TAX BASE AND CERTIFY THIS VALUATION TO EACH COUNTY, TO THE  
21 BOARD OF PUBLIC WORKS, AND TO THE COMPTROLLER.

22 6-504.

23 (A) EACH COUNTY IN THE DISTRICT SHALL DETERMINE THE REVENUES  
24 COLLECTED FROM THE COUNTY SHARE OF THE DISTRICT TAX BASE AS PROVIDED  
25 UNDER THIS SECTION.

26 (B) THE TAXABLE VALUE OF A COUNTY IN THE DISTRICT IS ITS ASSESSED  
27 VALUATION SUBJECT TO THE FOLLOWING ADJUSTMENTS:

28 (1) THERE SHALL BE SUBTRACTED FROM ITS ASSESSED VALUATION  
29 THE AMOUNT OF THE VALUATION CONTRIBUTED TO THE DISTRICT TAX BASE; AND

30 (2) THERE SHALL BE ADDED TO ITS ASSESSED VALUATION THE  
31 AMOUNT OF ITS SHARE RECEIVED FROM THE DISTRICT TAX BASE.

32 (C) (1) THE AMOUNT OF EACH COUNTY'S REVENUE THAT IS TO BE RAISED  
33 BY TAXATION OF THE COUNTY SHARE OF THE DISTRICT TAX BASE SHALL BE THE  
34 SAME PROPORTION OF THE TOTAL REVENUES REQUIRED AS THE COUNTY'S  
35 DISTRICT TAX BASE SHARE IS TO THE COUNTY'S TOTAL TAXABLE VALUE.

36 (2) EACH COUNTY IN THE DISTRICT SHALL CERTIFY THE AMOUNT  
37 DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE BOARD OF  
38 PUBLIC WORKS AND TO THE COMPTROLLER.

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1 (D) BASED ON THE AMOUNT DETERMINED UNDER SUBSECTION (C) OF THIS  
2 SECTION, EACH COUNTY IN THE DISTRICT SHALL DETERMINE THE REMAINDER OF  
3 THE TOTAL REVENUES TO BE RAISED FROM PROPERTY TAXATION.

4 6-505.

5 (A) IN 1997 AND EACH SUBSEQUENT YEAR, THE BOARD OF PUBLIC WORKS  
6 SHALL DETERMINE THE RATE OF TAXATION SUFFICIENT TO YIELD AN AMOUNT  
7 EQUAL TO THE SUM OF THE AMOUNTS CERTIFIED TO BE RAISED FROM PROPERTY  
8 TAXATION OF THE DISTRICT TAX BASE.

9 (B) THE BOARD SHALL CERTIFY THE RATE DETERMINED UNDER  
10 SUBSECTION (A) OF THIS SECTION TO EACH COUNTY IN THE DISTRICT.

11 6-506.

12 (A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IN  
13 1997 AND IN EACH SUBSEQUENT YEAR, EACH COUNTY IN THE DISTRICT SHALL  
14 DIVIDE THAT PORTION OF THE REVENUE TO BE COLLECTED FROM PROPERTY  
15 TAXATION UNDER § 6-504(D) OF THIS SUBTITLE BY AN AMOUNT EQUAL TO THE  
16 ASSESSED VALUATION OF THE COUNTY LESS THE 40% OF THE INCREASE, IF ANY, IN  
17 ASSESSED VALUATION OF THE COMMERCIAL-INDUSTRIAL BASE CONTRIBUTED TO  
18 THE DISTRICT TAX BASE.

19 (2) THE TAX RATE RESULTING FROM THE CALCULATION UNDER  
20 PARAGRAPH (1) OF THIS SUBSECTION SHALL APPLY TO ALL TAXABLE PROPERTY  
21 OTHER THAN COMMERCIAL-INDUSTRIAL PROPERTY.

22 (B) (1) IN EACH COUNTY IN THE DISTRICT, THE RATE OF TAXATION  
23 CERTIFIED BY THE BOARD OF PUBLIC WORKS UNDER § 6-505 OF THIS SUBTITLE  
24 SHALL APPLY, IN THE TAXATION OF EACH ITEM OF COMMERCIAL-INDUSTRIAL  
25 PROPERTY SUBJECT TO TAXATION, TO THAT PORTION OF THE ASSESSED  
26 VALUATION OF THE ITEM THAT BEARS THE SAME PROPORTION TO ITS TOTAL  
27 ASSESSED VALUATION AS THE COUNTY CONTRIBUTION TO THE DISTRICT TAX BASE  
28 BEARS TO THE ASSESSED VALUATION OF ALL COMMERCIAL-INDUSTRIAL  
29 PROPERTY SUBJECT TO TAXATION IN THE COUNTY.

30 (2) THE RATE OF TAXATION DETERMINED IN ACCORDANCE WITH  
31 SUBSECTION (A) OF THIS SECTION SHALL APPLY IN THE TAXATION OF THE  
32 REMAINING ASSESSED VALUATION OF EACH COMMERCIAL-INDUSTRIAL PROPERTY  
33 ITEM.

34 6-507.

35 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
36 EACH COUNTY IN THE DISTRICT SHALL COLLECT TAX PAYMENTS AS PROVIDED  
37 ELSEWHERE IN THIS ARTICLE.

38 (2) TAX PAYMENTS COMPUTED PURSUANT TO § 6-506(B)(1) OF THIS  
39 SUBTITLE SHALL BE COLLECTED AND REMITTED TO THE COMPTROLLER NO LATER  
40 THAN SEPTEMBER 1 OF 1997 AND OF EACH SUBSEQUENT YEAR.

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1 (B) (1) THERE IS A BALTIMORE METROPOLITAN REGION PROPERTY TAX  
2 BASE SHARING ACCOUNT.

3 (2) THE COMPTROLLER SHALL DEPOSIT PAYMENTS FROM THE  
4 COUNTIES UNDER SUBSECTION (A) OF THIS SECTION TO THE CREDIT OF THE  
5 ACCOUNT.

6 (3) ANY EXPENSES INCURRED BY THE COMPTROLLER UNDER THIS  
7 SUBTITLE AND ALL REFUNDS OF TAX RECEIPTS PAID INTO THE ACCOUNT SHALL BE  
8 PAID FROM THE ACCOUNT.

9 (4) ALL INTEREST EARNED ON MONEYS IN THE ACCOUNT SHALL BE  
10 CREDITED TO THE ACCOUNT.

11 (5) THE DISTRIBUTIONS UNDER SUBSECTION (C) OF THIS SECTION  
12 SHALL BE ADJUSTED PROPORTIONATELY TO REFLECT EXPENSES, PAYMENTS, AND  
13 INTEREST INCOME AND REDUCED TO REFLECT THE PAYMENT OF EACH REFUND IN  
14 AMOUNTS PROPORTIONATE TO THE DISTRIBUTIONS RECEIVED IN THE YEAR THE  
15 TAX WAS PAID.

16 (C) (1) THE COMPTROLLER SHALL APPORTION AND DISTRIBUTE AMOUNTS  
17 RECEIVED UNDER SUBSECTION (A)(2) OF THIS SECTION TO EACH SUBDIVISION  
18 ENTITLED THERETO AS SHOWN BY THE COUNTY'S CERTIFICATION UNDER §  
19 6-504(C)(2) OF THIS SUBTITLE.

20 (2) THE APPORTIONMENT AND DISTRIBUTION SHALL BE MADE NO  
21 LATER THAN OCTOBER 1 OF 1997 AND OF EACH SUBSEQUENT YEAR.

22 (D) (1) IF THE PAYMENT OF ANY TAX ATTRIBUTABLE TO THE DISTRICT  
23 TAX BASE IS DELINQUENT, THE COUNTY TO WHOM THE TAX IS PAYABLE SHALL  
24 PROMPTLY NOTIFY THE COMPTROLLER OF THE FAILURE OF PAYMENT.

25 (2) THE COMPTROLLER SHALL DEDUCT THE AMOUNT OF THE  
26 DELINQUENCY FROM THE DISTRIBUTIONS TO THE COUNTY ENTITLED TO RECEIVE  
27 PAYMENT FROM THE TAXPAYER.

28 (3) IF THE TAX IS SUBSEQUENTLY PAID OR COLLECTED, THE AMOUNT  
29 PAID OR COLLECTED SHALL BE RETAINED BY THE COUNTY WHOSE DISTRIBUTIONS  
30 WERE REDUCED UNDER THIS SUBSECTION BY REASON OF THE DELINQUENCY IN  
31 THE AMOUNT OF THAT REDUCTION.

32 8-101.

33 (b) Real property is a class of property and is divided into the following  
34 subclasses:

35 (1) land that is actively devoted to farm or agricultural use, assessed under §  
36 8-209 of this title;

37 (2) marshland, assessed under § 8-210 of this title;

38 (3) woodland, assessed under § 8-211 of this title;

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1 (4) land of a country club, assessed under §§ 8-212 through 8-217 of this  
2 title;

3 (5) land that is used for a planned development, assessed under §§ 8-220  
4 through 8-225 of this title;

5 (6) rezoned real property that is used for residential purposes, assessed  
6 under §§ 8-226 through 8-228 of this title;

7 (7) operating real property of a railroad;

8 (8) operating real property of a public utility; [and]

9 (9) COMMERCIAL-INDUSTRIAL PROPERTY; AND

10 [(9)] (10) all other real property that is directed by this article to be assessed.

11 (D) (1) IN THIS SECTION, "COMMERCIAL-INDUSTRIAL PROPERTY" MEANS  
12 ALL REAL PROPERTY THAT IS USED OR ZONED FOR USE FOR ANY COMMERCIAL OR  
13 INDUSTRIAL PURPOSE, EXCEPT FOR:

14 (I) PROPERTY THAT IS USED EXCLUSIVELY FOR RESIDENTIAL  
15 OCCUPANCY AND THE PROVISION OF SERVICES TO RESIDENTIAL OCCUPANTS OF  
16 THE PROPERTY, INCLUDING REZONED REAL PROPERTY THAT IS USED FOR  
17 RESIDENTIAL PURPOSES, ASSESSED UNDER §§ 8-226 THROUGH 8-228 OF THIS TITLE;  
18 AND

19 (II) OPERATING REAL PROPERTY OF A RAILROAD OR A PUBLIC  
20 UTILITY.

21 (2) FOR PURPOSES OF PARAGRAPH (1)(I) OF THIS SUBSECTION,  
22 PROPERTY IS CONSIDERED TO BE USED EXCLUSIVELY FOR RESIDENTIAL  
23 OCCUPANCY ONLY IF EACH OF AT LEAST 80% OF ITS OCCUPIED RESIDENTIAL UNITS  
24 IS, OR, IN THE CASE OF PROPERTY UNDER CONSTRUCTION, WILL BE WHEN  
25 COMPLETED, OCCUPIED UNDER AN ORAL OR WRITTEN AGREEMENT FOR  
26 OCCUPANCY OVER A CONTINUOUS PERIOD OF AT LEAST 30 DAYS.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 1996, and shall be applicable to all taxable years beginning on or after July 1,  
29 1997.