

SENATE BILL 810

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2000 Regular Session
0lr0124
CF 0lr0043

By: **The President (Administration) and Senators Miller, Blount, Hoffman, Collins, Currie, Dyson, Exum, Frosh, Green, Hafer, Hollinger, Hughes, Jimeno, Kasemeyer, Kelley, Lawlah, McFadden, Mitchell, Pinsky, Ruben, Sfikas, Stone, and ~~Van Hollen~~ Van Hollen, Middleton, and Munson**

Introduced and read first time: February 14, 2000
Assigned to: Rules
Re-referred to: Budget and Taxation and Economic and Environmental Affairs, February 18, 2000

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: April 5, 2000

CHAPTER _____

1 AN ACT concerning

2 **Governor's Teacher Salary Challenge Program - Public School Teacher**
3 **Salary Funding Enhancement**

4 FOR the purpose of establishing the Governor's Teacher Salary Challenge Program;
5 requiring the State Board of Education to make certain grants to ~~local education~~
6 ~~agencies~~ county boards of education under certain circumstances; specifying
7 certain formulas for calculating certain grants; requiring ~~local education~~
8 ~~agencies~~ county boards of education under certain circumstances to submit
9 certain applications to the Department of Budget and Management and the
10 State Superintendent of ~~Education~~ Schools by a certain date; requiring the
11 Governor to include certain funding in the State budget; establishing certain
12 requirements and procedures for the operation of the Governor's Teacher Salary
13 Challenge Program; establishing a transitional education fund to be used for a
14 certain purpose; requiring that certain reimbursements for retirement
15 contributions be credited to the fund; providing that certain fund balances
16 remain in the fund for a certain period; providing for the termination of the
17 fund; providing that certain property granted certain tax credits or exemptions
18 for certain purposes may not be treated as taxable personal property for
19 purposes of calculating the payment of certain State aid; updating certain
20 statutory provisions; altering the dates by which certain counties are required to
21 submit certain information to the Department of Assessments and Taxation;
22 requiring certain counties that grant certain tax credits or exemptions for

1 certain personal property to submit certain information to the Department of
 2 Assessments and Taxation by certain dates; requiring the Governor to include
 3 certain appropriations in the State budget for certain fiscal years for certain
 4 education purposes; defining certain terms; providing for the termination of part
 5 of this Act; and generally relating to ~~education grants to local education agencies~~
 6 State aid for public education in the State.

7 BY adding to
 8 Article - Education
 9 Section 5-213
 10 Annotated Code of Maryland
 11 (1999 Replacement Volume)

12 BY repealing and reenacting, with amendments,
 13 Article - Tax - Property
 14 Section 7-225, 9-201, 9-205, and 9-302(i)
 15 Annotated Code of Maryland
 16 (1994 Replacement Volume and 1999 Supplement)

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

19 **Article - Education**

20 5-213.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 22 INDICATED.

23 (2) (I) "COST OF LIVING ADJUSTMENT" MEANS ~~AN A PERCENTAGE~~
 24 INCREASE IN SALARY SCHEDULES SALARIES THAT APPLIES TO ALL EMPLOYEES,
 25 AMONG ALL GRADES AND STEPS, EMPLOYED BY A COUNTY BOARD.

26 (II) "COST OF LIVING ADJUSTMENTS ADJUSTMENT" DOES NOT
 27 INCLUDE SALARY INCREASES FOR PROMOTIONS, INCREMENTS, OR STEP INCREASES
 28 ~~AND OR~~ SIMILAR SALARY INCREASES RECEIVED BY EMPLOYEES AS A REGULAR PART
 29 OF THE OPERATION OF A PERSONNEL SYSTEM.

30 (3) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING
 31 INDICATED IN § 5-202 OF THIS SUBTITLE.

32 (4) "STATE SHARE" MEANS THE STATE SHARE OF BASIC CURRENT
 33 EXPENSES PROVIDED UNDER § 5-202 OF THIS SUBTITLE DIVIDED BY THE AMOUNT OF
 34 THE BASIC CURRENT EXPENSES TO BE SHARED FOR THAT COUNTY.

35 (5) "TEACHER SALARY BASE" MEANS THE TOTAL SALARIES AND WAGES
 36 ~~OF CERTIFICATED PROFESSIONAL PUBLIC SCHOOL EMPLOYEES, EXCLUDING~~
 37 ~~ADMINISTRATORS, IN A LOCAL EDUCATION AGENCY~~ TEACHERS EMPLOYED BY A

1 COUNTY BOARD FOR THE FISCAL YEAR PRECEDING THE FISCAL YEAR FOR WHICH
 2 THE GOVERNOR'S CHALLENGE GRANT IS CALCULATED, AS DETERMINED BY THE
 3 DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE SUPERINTENDENT.

4 (6) "TEACHER" MEANS ANY CERTIFICATED PROFESSIONAL PUBLIC
 5 SCHOOL EMPLOYEE WHO IS NOT AN ADMINISTRATOR.

6 ~~(6)~~ (7) "WEALTH" HAS THE MEANING ~~INDICATED~~ STATED IN § 5-202 OF
 7 THIS SUBTITLE.

8 ~~(7)~~ (8) "WEALTH PER PUPIL" MEANS WEALTH DIVIDED BY FULL-TIME
 9 EQUIVALENT ENROLLMENT.

10 (B) THERE IS A GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

11 (C) THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM SHALL
 12 PROVIDE GRANTS TO ~~LOCAL EDUCATION AGENCIES~~ COUNTY BOARDS FOR THE
 13 PURPOSE OF INCREASING TEACHER SALARIES IN ORDER TO IMPROVE RECRUITMENT
 14 AND RETENTION OF WELL QUALIFIED TEACHERS.

15 (D) (1) EACH GRANT MADE TO A ~~LOCAL EDUCATION AGENCY~~ COUNTY
 16 BOARD ~~MAY~~ SHALL BE CALCULATED BASED ON:

17 (I) A PERCENTAGE COMPONENT;

18 (II) A WEALTH-ADJUSTED COMPONENT; AND

19 ~~(III) A HOLD-HARMLESS COMPONENT; AND~~

20 ~~(IV) A DISTRESSED JURISDICTION COMPONENT.~~

21 ~~(III)~~ A TARGETED COMPONENT.

22 (2) THE PERCENTAGE COMPONENT SHALL BE CALCULATED AS
 23 FOLLOWS:

24 (I) FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY BASE
 25 FOR THE ~~LOCAL EDUCATION AGENCY~~ COUNTY BOARD BY 0.01; AND

26 (II) FOR FISCAL YEAR 2002, ~~MULTIPLY THE TEACHER SALARY BASE~~
 27 ~~FOR THE LOCAL EDUCATION AGENCY BY 0.01 AND ADD AN AMOUNT EQUAL TO THE~~
 28 ~~PERCENTAGE COMPONENT GRANTED TO THE LOCAL EDUCATION AGENCY IN FISCAL~~
 29 ~~YEAR 2001;~~

30 1. IF THE COUNTY BOARD MEETS THE LOCAL MATCH
 31 REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION IN FISCAL
 32 YEAR 2001 AND MEETS THE LOCAL MATCH REQUIREMENT FOR FISCAL YEAR 2002,
 33 MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD BY 0.02;

34 2. IF THE COUNTY BOARD DOES NOT MEET THE LOCAL
 35 MATCH REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION IN

1 FISCAL YEAR 2001 AND MEETS THE LOCAL MATCH REQUIREMENT IN FISCAL YEAR
 2 2002, MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD BY 0.01; AND

3 3. IF THE COUNTY BOARD MEETS THE LOCAL MATCH
 4 REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION IN FISCAL
 5 YEAR 2001 AND DOES NOT MEET THE LOCAL MATCH REQUIREMENT IN FISCAL YEAR
 6 2002, MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD BY 0.01.

7 (3) FOR EACH FISCAL YEAR, THE WEALTH-ADJUSTED COMPONENT
 8 SHALL BE CALCULATED AS FOLLOWS:

9 (4) 1. FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY
 10 BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02.

11 2. FOR FISCAL YEAR 2002, MULTIPLY THE TEACHER SALARY
 12 BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02 AND ADD AN AMOUNT EQUAL TO
 13 THE WEALTH ADJUSTED COMPONENT GRANTED TO THE LOCAL EDUCATION
 14 AGENCY IN FISCAL YEAR 2001.

15 (I) MULTIPLY THE PERCENTAGE COMPONENT FOR THE COUNTY
 16 BOARD BY 2; AND

17 (II) FOR EACH FISCAL YEAR, MULTIPLY THE PRODUCT
 18 CALCULATED IN ITEM (I) OF THIS PARAGRAPH FOR THAT FISCAL YEAR BY THE STATE
 19 SHARE FOR THE LOCAL EDUCATION AGENCY COUNTY BOARD.

20 (4) (I) IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF THIS
 21 SUBSECTION IS GREATER THAN THE PERCENTAGE COMPONENT FOR THE LOCAL
 22 EDUCATION AGENCY COUNTY BOARD, THEN THE WEALTH-ADJUSTED COMPONENT
 23 SHALL BE THE AMOUNT OF THE DIFFERENCE.

24 (II) IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF THIS
 25 SUBSECTION IS LESS THAN THE PERCENTAGE COMPONENT FOR THE LOCAL
 26 EDUCATION AGENCY COUNTY BOARD, THEN THE WEALTH-ADJUSTED COMPONENT
 27 SHALL BE ZERO.

28 (5) THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT TO A LOCAL
 29 EDUCATION AGENCY SHALL INCLUDE A HOLD HARMLESS COMPONENT EQUAL TO
 30 THE AMOUNT, IF ANY, BY WHICH THE LOCAL EDUCATION AGENCY'S STATE SHARE OF
 31 BASIC CURRENT EXPENSE CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE
 32 YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN THE
 33 LOCAL EDUCATION AGENCY'S STATE SHARE OF BASIC CURRENT EXPENSE
 34 CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE PREVIOUS YEAR.

35 (6) (5) (I) THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT
 36 TO A LOCAL EDUCATION AGENCY COUNTY BOARD SHALL CONTAIN A DISTRESSED
 37 JURISDICTION COMPONENT EQUAL TO \$25 TIMES THE LOCAL EDUCATION AGENCY'S
 38 FULL TIME EQUIVALENT ENROLLMENT IF: TARGETED COMPONENT AS PROVIDED IN
 39 SUBPARAGRAPHS (II) THROUGH (V) OF THIS PARAGRAPH.

1 (4) ~~THE LOCAL EDUCATION AGENCY'S FULL-TIME EQUIVALENT~~
2 ~~ENROLLMENT FOR THE YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE~~
3 ~~GRANT IS LESS THAN ITS FULL-TIME EQUIVALENT ENROLLMENT FOR THE PREVIOUS~~
4 ~~YEAR; AND~~

5 (4) ~~THE LOCAL EDUCATION AGENCY'S WEALTH PER PUPIL FOR~~
6 ~~THE YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN~~
7 ~~THE WEALTH PER PUPIL FOR THE STATE AS A WHOLE.~~

8 (II) FOR FISCAL YEAR 2001, THE GOVERNOR SHALL INCLUDE IN
9 THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$5,300,000 FOR THE
10 TARGETED COMPONENT.

11 (III) FOR FISCAL YEAR 2002, THE GOVERNOR SHALL INCLUDE IN
12 THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$10,600,000 FOR THE
13 TARGETED COMPONENT.

14 (IV) THE COUNTY BOARD IN EACH COUNTY THAT HAS A WEALTH
15 PER PUPIL THAT IS LESS THAN 75 PERCENT OF THE STATEWIDE WEALTH PER PUPIL
16 SHALL RECEIVE A PROPORTIONATE SHARE OF THE TARGETED COMPONENT THAT IS
17 EQUAL TO THE COUNTY BOARD'S PROPORTIONATE SHARE OF THE TOTAL FULL-TIME
18 EQUIVALENT ENROLLMENT FOR ALL COUNTIES WITH A WEALTH PER PUPIL THAT IS
19 LESS THAN 75 PERCENT OF THE STATEWIDE WEALTH PER PUPIL.

20 (V) A COUNTY BOARD SHALL RECEIVE ITS PROPORTIONATE SHARE
21 OF THE TARGETED COMPONENT REGARDLESS OF WHETHER IT MEETS THE LOCAL
22 MATCH REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION.

23 (E) (1) ~~ON OR BEFORE JUNE 1, 2000, AND ON OR BEFORE JUNE 1, 2001, EACH~~
24 ~~LOCAL EDUCATION AGENCY SHALL COUNTY BOARD MAY SUBMIT A GOVERNOR'S~~
25 ~~TEACHER SALARY CHALLENGE GRANT APPLICATION TO THE DEPARTMENT OF~~
26 ~~BUDGET AND MANAGEMENT AND THE STATE SUPERINTENDENT FOR THE~~
27 ~~PERCENTAGE COMPONENT AND THE WEALTH-ADJUSTED COMPONENT OF THE~~
28 ~~GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.~~

29 (2) THE APPLICATION SHALL INCLUDE:

30 (I) THE ESTIMATED TEACHER SALARY BASE IN FOR THE LOCAL
31 EDUCATION AGENCY COUNTY BOARD FOR THE CURRENT FISCAL YEAR;

32 (II) ~~THE NEGOTIATED INCREASE IN THE LOCAL EDUCATION~~
33 ~~AGENCY'S TEACHER SALARY SCHEDULE FOR THE NEXT FISCAL YEAR FOR THE NEXT~~
34 ~~FISCAL YEAR, THE NEGOTIATED AND FUNDED COST OF LIVING ADJUSTMENT FOR~~
35 ~~TEACHERS AND THE AGGREGATE COST OF NEGOTIATED AND FUNDED CHANGES TO~~
36 ~~THE TEACHER SALARY SCHEDULES, TO BE FUNDED FROM SOURCES OTHER THAN~~
37 ~~THE PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE~~
38 ~~GRANT, EXPRESSED IN TOTAL DOLLARS AND AS A PERCENTAGE; AND~~

39 (III) ANY OTHER INFORMATION NECESSARY TO DETERMINE
40 ELIGIBILITY FOR THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT.

1 (3) THE APPLICATION SHALL BE IN A FORM AND FORMAT SPECIFIED BY
2 THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE
3 SUPERINTENDENT.

4 (F) (1) THE PERCENTAGE COMPONENT AND THE WEALTH-ADJUSTED
5 COMPONENT OF A GOVERNOR'S TEACHER SALARY CHALLENGE GRANT SHALL BE
6 AWARDED TO EACH LOCAL EDUCATION AGENCY COUNTY BOARD THAT SUBMITS AN
7 APPLICATION AND THAT MEETS THE REQUIREMENTS OF THIS SECTION, AS
8 DETERMINED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE
9 SUPERINTENDENT.

10 ~~(2) EACH LOCAL EDUCATION AGENCY THAT PROVIDES A NEGOTIATED~~
11 ~~COST OF LIVING ADJUSTMENT FOR TEACHERS EQUIVALENT TO AT LEAST 4%, IN~~
12 ~~ADDITION TO ANY PREVIOUSLY NEGOTIATED STEP INCREASES AND STIPENDS, FROM~~
13 ~~SOURCES OTHER THAN THE PERCENTAGE COMPONENT OF THE GOVERNOR'S~~
14 ~~TEACHER SALARY CHALLENGE GRANT, SHALL QUALIFY FOR THE PERCENTAGE~~
15 ~~COMPONENT AND THE WEALTH ADJUSTED COMPONENT OF THE GOVERNOR'S~~
16 ~~CHALLENGE GRANT.~~

17 (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH AND
18 PARAGRAPH (3) OF THIS SUBSECTION, A COUNTY BOARD THAT PROVIDES A
19 NEGOTIATED AND FUNDED COST OF LIVING INCREASE FOR TEACHERS OF AT LEAST
20 4% OR A NEGOTIATED AND FUNDED ADJUSTMENT TO THE TEACHER SALARY
21 SCHEDULES THAT HAS AN AGGREGATE COST THAT IS AT LEAST EQUIVALENT TO THE
22 COST OF PROVIDING A 4% COST OF LIVING ADJUSTMENT FOR TEACHERS SHALL
23 QUALIFY FOR THE PERCENTAGE COMPONENT AND THE WEALTH-ADJUSTED
24 COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

25 (II) THE FUNDS PROVIDED BY A COUNTY BOARD FOR THE PURPOSE
26 OF MEETING THE LOCAL MATCH REQUIREMENT ESTABLISHED UNDER
27 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:

28 1. IN ADDITION TO ANY PREVIOUSLY NEGOTIATED AND
29 FUNDED STEP INCREASES AND STIPENDS; AND

30 2. OBTAINED FROM SOURCES OTHER THAN THE
31 PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE
32 PROGRAM.

33 (3) IF A COUNTY BOARD MEETS THE LOCAL MATCH REQUIREMENT
34 ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION IN FISCAL YEAR 2001
35 AND DOES NOT MEET THE LOCAL MATCH REQUIREMENT IN FISCAL YEAR 2002, THE
36 COUNTY BOARD SHALL RECEIVE:

37 (I) A PERCENTAGE COMPONENT IN FISCAL YEAR 2002 AS
38 PROVIDED UNDER SUBSECTION (D)(2)(II)3 OF THIS SECTION; AND

39 (II) A WEALTH-ADJUSTED COMPONENT IN FISCAL YEAR 2002 AS
40 PROVIDED UNDER SUBSECTION (D)(3) OF THIS SECTION.

1 (3) (4) THE PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER
2 SALARY CHALLENGE GRANT:

3 (4) SHALL BE USED TO PROVIDE AN ADDITIONAL 1% COST OF
4 LIVING ADJUSTMENT FOR TEACHERS; ~~AND~~

5 (II) ~~MAY NOT BE USED TO SUPPLANT OTHER STATE OR LOCAL~~
6 ~~FUNDS FOR THE COST OF SALARY INCREASES PAID PURSUANT TO A NEGOTIATED~~
7 ~~AGREEMENT OR OTHER CONTRACTUAL OBLIGATION EXISTING PRIOR TO JULY 1,~~
8 ~~2000.~~

9 (G) THE GOVERNOR SHALL INCLUDE FUNDS IN THE STATE BUDGET TO
10 ACCOMPLISH THE PURPOSES OF THIS SECTION.

11 (H) THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE
12 SUPERINTENDENT MAY ESTABLISH GUIDELINES OR REGULATIONS TO IMPLEMENT
13 THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

14 (I) (1) THERE IS A TRANSITIONAL EDUCATION FUND.

15 (2) THE FUND CONSISTS OF ALL REIMBURSEMENTS RECEIVED BY THE
16 STATE FROM THE COUNTY BOARDS THAT:

17 (I) ARE FOR RETIREMENT CONTRIBUTIONS MADE AFTER JUNE 30,
18 2000 BUT BEFORE JULY 1, 2002; AND

19 (II) ARE SOUGHT BY THE STATE ON THE BASIS THAT THE SALARY
20 OF AN ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR TEACHERS'
21 PENSION SYSTEM IS PAID IN PART OR IN WHOLE FROM:

22 1. STATE AID, WHETHER GENERAL OR CATEGORICAL IN
23 NATURE; OR

24 2. FEDERAL FUNDS, WHETHER THE FUNDS ARE PAID
25 DIRECTLY TO A LOCAL SCHOOL SYSTEM OR ARE PASSED THROUGH FROM A UNIT OF
26 STATE GOVERNMENT.

27 (3) NOTWITHSTANDING § 5-203(D) OF THIS SUBTITLE, ALL
28 REIMBURSEMENTS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE
29 CREDITED TO THE FUND.

30 (4) (I) THE STATE TREASURER SHALL HOLD THE FUND AND INVEST
31 THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE
32 INVESTED.

33 (II) ALL INTEREST EARNED ON THE FUND SHALL ACCRUE TO THE
34 GENERAL FUND.

35 (III) THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

1 (5) THE FUND SHALL BE USED TO IMPLEMENT THE GOVERNOR'S
2 TEACHER SALARY CHALLENGE PROGRAM ESTABLISHED UNDER THIS SECTION.

3 (6) EXPENDITURES FROM THE FUND MAY ONLY BE MADE PURSUANT TO
4 AN APPROPRIATION APPROVED BY THE GENERAL ASSEMBLY IN THE ANNUAL STATE
5 BUDGET OR BY APPROVED BUDGET AMENDMENT.

6 (7) EXCEPT AS PROVIDED IN PARAGRAPH (8) OF THIS SUBSECTION, ANY
7 FUND BALANCE AT THE END OF EACH FISCAL YEAR SHALL REMAIN IN THE FUND
8 AND MAY NOT REVERT TO THE GENERAL FUND.

9 (8) THE FUND SHALL TERMINATE AT THE END OF JUNE 30, 2002 AND
10 ANY FUND BALANCE THAT REMAINS AT THE END OF JUNE 30, 2002 SHALL REVERT TO
11 THE GENERAL FUND.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
13 read as follows:

14 **Article - Tax - Property**

15 7-225.

16 (a) Except as provided in § 7-109 of this title and in subsection (b) of this
17 section, if used in manufacturing, the following personal property, however operated
18 and whether or not in use, is not subject to property tax:

- 19 (1) tools;
- 20 (2) implements;
- 21 (3) machinery; or
- 22 (4) manufacturing apparatus or engines.

23 (b) Except as provided by § 7-108 of this title, the personal property listed in
24 subsection (a) of this section is subject to a county property tax on:

- 25 (1) 100% of its assessment in [Allegany County,] Garrett County,
26 Somerset County, Wicomico County, and Worcester County; and
- 27 (2) [60%] 75% of its assessment in [Dorchester] ALLEGANY County.

28 (c) Property does not qualify for the exemption under this section if the
29 property is used primarily in administration, management, sales, storage, shipping,
30 receiving, or any other nonmanufacturing activity.

31 (d) In order to qualify for the exemption under this section, a person claiming
32 the exemption must apply for and be granted the exemption by the Department.

1 9-201.

2 (a) In this section, "property tax credit" means a property tax credit OR
3 EXEMPTION that is granted under § 9-205 or § 9-209 of this subtitle or Subtitle 3 of
4 this title.

5 (b) Annually on or before [December] OCTOBER 31, the Mayor and City
6 Council of Baltimore City or each governing body that grants a property tax credit
7 shall submit to the Department on the form that the Department provides THE
8 FOLLOWING INFORMATION FOR THE CURRENT TAXABLE YEAR:

9 (1) the total value of all property tax credits granted;

10 (2) an itemized list of all of the property tax credits granted for real
11 property; and

12 (3) an itemized list of the property tax credits granted for personal
13 property.

14 (c) The Mayor and City Council of Baltimore City or each governing body that
15 grants a property tax credit shall:

16 (1) in the same manner as the assessment roll, make available for public
17 inspection bound copies of the form required by subsection (b) of this section; and

18 (2) identify clearly on the tax roll the properties that are granted a
19 property tax credit under this section.

20 9-205.

21 (a) The Mayor and City Council of Baltimore City or the governing body of a
22 county or of a municipal corporation may grant, by law, a property tax credit under
23 this section against the county or municipal corporation property tax imposed on part
24 or all of the property of any manufacturing, fabricating, or assembling facility that:

25 (1) locates in the county or municipal corporation;

26 (2) expands in the county or municipal corporation; or

27 (3) develops a new product or industrial process.

28 (b) A property tax credit under this section may be granted on up to 100% of
29 the county or municipal corporation property tax against the property described in
30 subsection (a) of this section.

31 (c) A property tax credit granted under this section may be granted for the
32 period of years from the date of completion of a new facility or expansion of a facility
33 that the Mayor and City Council of Baltimore City or the appropriate governing body
34 determines.

1 (d) The Mayor and City Council of Baltimore City or the appropriate
2 governing body may:

3 (1) adopt regulations necessary to carry out this section; and

4 (2) provide any other restriction or condition considered desirable.

5 (e) The Mayor and City Council of Baltimore City or each governing body shall
6 designate the administrative unit or official to administer the property tax credit
7 granted under this section.

8 (f) When a tax bill is sent to a taxpayer who may be eligible for a property tax
9 credit under this section, the Mayor and City Council of Baltimore City or the
10 appropriate governing body shall give notice of the property tax credit under this
11 section to the taxpayer.

12 (g) (1) A taxpayer must apply to receive a tax credit under this section.

13 (2) Except in Frederick County, if a taxpayer fails to apply for a property
14 tax credit under this section on or before October 1 of each taxable year, the property
15 tax credit may not be granted.

16 (3) In Frederick County, a taxpayer may apply for a property tax credit
17 under this section on or before October 1 of the taxable year, and the property tax
18 credit received shall continue from year to year until the property is conveyed.

19 (4) A taxpayer shall state under oath that the facts in the application are
20 true.

21 (h) Each governing body that grants a property tax credit under this section
22 shall submit to the Department a copy of the law granting the credit.

23 (I) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, TO
24 THE EXTENT THAT A COUNTY GRANTS A TAX CREDIT UNDER THIS SECTION FOR
25 MANUFACTURING PERSONAL PROPERTY DESCRIBED IN § 7-225 OF THIS ARTICLE,
26 THE PROPERTY MAY NOT BE TREATED AS TAXABLE PROPERTY FOR THE PURPOSE OF
27 COMPUTING ANY PAYMENTS OF STATE AID TO EDUCATION UNDER § 5-202 OF THE
28 EDUCATION ARTICLE OR OTHER PAYMENTS OF STATE AID TO COUNTIES OR
29 MUNICIPAL CORPORATIONS THAT BY LAW ARE BASED ON THE ASSESSMENT OF
30 PROPERTY.

31 (2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO ANY
32 MANUFACTURING PERSONAL PROPERTY UNLESS THE COUNTY THAT GRANTS A TAX
33 CREDIT UNDER THIS SECTION FOR THE PROPERTY SUBMITS TO THE DEPARTMENT,
34 ON OR BEFORE OCTOBER 31 OF THE TAXABLE YEAR FOR WHICH THE CREDIT IS
35 GRANTED:

36 (I) THE INFORMATION REQUIRED UNDER § 9-201(B) OF THIS
37 SUBTITLE REGARDING THE TAX CREDIT; AND

1 (II) AN ITEMIZED LIST OF THE PROPERTY TAX CREDITS GRANTED
2 FOR PROPERTY.

3 9-302.

4 (i) (1) The governing body of Allegany County may grant a county property
5 tax credit or exemption for machinery and equipment used in manufacturing,
6 assembling, processing, or refining products for sale or in the generation of electricity
7 and may define, fix, or limit the amount, terms, scope, and duration of any credit or
8 exemption provided for or affirmed under this subsection.

9 (2) TO THE EXTENT THAT A TAX CREDIT OR EXEMPTION IS GRANTED
10 UNDER THIS SUBSECTION FOR MACHINERY AND EQUIPMENT USED IN
11 MANUFACTURING, ASSEMBLING, PROCESSING, OR REFINING PRODUCTS FOR SALE,
12 THE PROPERTY MAY NOT BE TREATED AS TAXABLE PERSONAL PROPERTY FOR THE
13 PURPOSE OF COMPUTING ANY PAYMENTS OF STATE AID TO EDUCATION UNDER §
14 5-202 OF THE EDUCATION ARTICLE OR OTHER PAYMENTS OF STATE AID TO
15 COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW ARE BASED ON THE
16 ASSESSMENT OF PROPERTY.

17 (3) TO THE EXTENT THAT A TAX CREDIT OR EXEMPTION IS GRANTED
18 UNDER THIS SUBSECTION FOR MACHINERY AND EQUIPMENT THAT IS USED IN THE
19 GENERATION OF ELECTRICITY FOR A FACILITY THAT STARTED GENERATING
20 ELECTRICITY PRIOR TO JUNE 1, 2000, THE PROPERTY MAY NOT BE TREATED AS
21 TAXABLE PERSONAL PROPERTY FOR THE PURPOSE OF COMPUTING ANY PAYMENTS
22 OF STATE AID TO EDUCATION UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER
23 PAYMENTS OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW
24 ARE BASED ON THE ASSESSMENT OF PROPERTY.

25 (4) PARAGRAPHS (2) AND (3) OF THIS SUBSECTION DO NOT APPLY TO ANY
26 PERSONAL PROPERTY UNLESS ALLEGANY COUNTY SUBMITS TO THE DEPARTMENT,
27 ON OR BEFORE OCTOBER 31 OF THE TAXABLE YEAR FOR WHICH THE TAX CREDIT OR
28 EXEMPTION FOR THE PROPERTY IS GRANTED, THE INFORMATION REQUIRED UNDER
29 § 9-201(B) OF THIS TITLE REGARDING THE TAX CREDIT OR EXEMPTION.

30 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before June 1,
31 2000, each county that for the taxable year ending June 30, 2000, has granted a tax
32 credit under § 9-205 of the Tax - Property Article for manufacturing personal
33 property described in § 7-225 of the Tax - Property Article or has granted a tax credit
34 or exemption for personal property under § 9-302(i) of the Tax - Property Article shall
35 submit to the Department of Assessments and Taxation the information for the
36 current taxable year required under § 9-201(b) of the Tax - Property Article
37 regarding the tax credit or exemption and an itemized list of any property tax credits
38 granted under § 9-205 of the Tax - Property Article for manufacturing personal
39 property described in § 7-225 of the Tax - Property Article. For the fiscal year that
40 begins July 1, 2000, the provisions of §§ 9-205(i) and 9-302(i)(2) of the Tax - Property
41 Article as enacted under Section 2 of this Act do not apply to any property unless the
42 county that grants a tax credit or exemption for that property submits the

1 information required under this section to the Department of Assessments and
2 Taxation on or before June 1, 2000.

3 SECTION 4. AND BE IT FURTHER ENACTED, That the Governor shall
4 include in the State budget for each of fiscal years 2001 and 2002 an appropriation of
5 at least \$8,000,000 to meet the State's existing legal obligations for educational
6 funding and avoid future litigation.

7 SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding §
8 7-317(d) and (g) of the State Finance and Procurement Article, in fiscal year 2001, the
9 Cigarette Restitution Fund established under § 7-317 of the State Finance and
10 Procurement Article may be used to fund the implementation of: (i) the Governor's
11 Teacher Salary Challenge Program established under § 5-213 of the Education
12 Article; and (2) Section 4 of this Act. In fiscal year 2001, the Governor may transfer
13 funds by budget amendment from the Cigarette Restitution Fund to the Transitional
14 Education Fund created under this Act as necessary to fund the Governor's Teacher
15 Salary Challenge Program in fiscal year 2001.

16 SECTION ~~2: 6.~~ AND BE IT FURTHER ENACTED, That this Act shall take
17 effect June 1, 2000. ~~It~~ Section 1 of this Act shall remain effective for a period of 2
18 years and 1 month and, at the end of June 30, 2002, with no further action required
19 by the General Assembly, Section 1 of this Act shall be abrogated and of no further
20 force and effect.