

SENATE BILL 451

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SB 533/00 - B&T

2001 Regular Session
11r1078
CF 11r1077

By: **Senator McFadden (Baltimore City Administration) and Senator Pinsky (Prince George's County Administration) and Senators Blount and Sfikas**

Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Political Subdivisions - Special Grant to a County - Disparity Grant**
3 **Formula**

4 FOR the purpose of altering the disparity grant formula used by the Comptroller to
5 determine the amount of a certain grant to counties under certain
6 circumstances; providing for the application of this Act; and generally relating to
7 the disparity grant formula used by the Comptroller to give a certain grant to
8 counties under certain circumstances.

9 BY repealing and reenacting, with amendments,
10 Article 24 - Political Subdivisions - Miscellaneous Provisions
11 Section 9-1101
12 Annotated Code of Maryland
13 (1998 Replacement Volume and 2000 Supplement)

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

16 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

17 9-1101.

18 (a) (1) For each fiscal year, the Comptroller shall distribute to a county the
19 amount determined for each county under this section.

20 (2) The amount a county shall receive under this section in any fiscal
21 year shall be based on the county income tax collected from individuals for the
22 taxable year that ended in the second prior fiscal year, from returns filed through
23 August 15 immediately preceding the applicable fiscal year, as determined by the
24 Comptroller.

25 (b) (1) For each fiscal year, the Comptroller shall determine as rounded to
26 the nearest cent:

1 (i) The per capita yield of the county income tax for each county,
2 based on:

3 1. Unless a county income tax rate of other than 2.54% was
4 in effect, the receipts described in subsection (a) (2) of this section;

5 2. The population of the county as last projected by the
6 Department of Health and Mental Hygiene for July 1 of the applicable taxable year or
7 the latest decennial census for the applicable taxable year; and

8 3. If the county income tax rate is other than 2.54% in the
9 applicable taxable year, the receipts described in subsection (a)(2) of this section that
10 would have been received if a county income tax rate of 2.54% had been in effect; and

11 (ii) The per capita statewide yield of the county income tax, based
12 on:

13 1. The total receipts for county income tax described in
14 subsection (a)(2) of this section for counties with an income tax rate of 2.54% in effect;

15 2. The State population as last projected by the Department
16 of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest
17 decennial census for the applicable taxable year; and

18 3. For counties with an income tax rate of other than 2.54%
19 in effect, the total receipts for county income tax described in subsection (a)(2) of this
20 section that would have been received if a county income tax rate of 2.54% had been
21 in effect.

22 (2) If the per capita yield of the county income tax for a county
23 determined under paragraph (1)(i) of this subsection is less than [75%] 77.5% of the
24 per capita statewide yield of the county income tax determined under paragraph
25 (1)(ii) of this subsection, the Comptroller shall determine the amount that would
26 increase the county per capita yield to equal [75%] 77.5% of the statewide per capita
27 yield, as rounded to the nearest dollar.

28 (3) A county may not receive a distribution under this subsection if the
29 county tax rate in that county was less than 2.4%:

30 (i) For the taxable year that ended in the second prior fiscal year;
31 or

32 (ii) For any subsequent taxable year through the taxable year that
33 ends in the current fiscal year.

34 (c) The Comptroller shall make payments of the additional amounts provided
35 under this section quarterly during the fiscal year for which the payment is made.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
37 construed only prospectively and may not be applied or interpreted to have any effect

1 on or application to the calculation of any special grant by the Comptroller before the
2 effective date of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2001.