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By: **Delegate Marriott (Baltimore City Administration)** Introduced and read first time: January 21, 2002 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 3	Political Subdivisions - Special Grant to a County - Disparity Grant Formula
4 5 6 7 8	FOR the purpose of altering the disparity grant formula used by the Comptroller to determine the amount of a certain grant to counties under certain circumstances; providing for the application of this Act; and generally relating to the disparity grant formula used by the Comptroller to give a certain grant to counties under certain circumstances.
9 10 11 12 13	BY repealing and reenacting, with amendments, Article 24 - Political Subdivisions - Miscellaneous Provisions Section 9-1101 Annotated Code of Maryland (2001 Replacement Volume)
14 15 16	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: Article 24 - Political Subdivisions - Miscellaneous Provisions
17	9-1101.
18	9-1101.(a) (1) For each fiscal year, the Comptroller shall distribute to a county the amount determined for each county under this section.
18 19 20 21 22 23	(a) (1) For each fiscal year, the Comptroller shall distribute to a county the
18 19 20 21 22 23 24 25	 (a) (1) For each fiscal year, the Comptroller shall distribute to a county the amount determined for each county under this section. (2) The amount a county shall receive under this section in any fiscal year shall be based on the county income tax collected from individuals for the taxable year that ended in the second prior fiscal year, from returns filed through August 15 immediately preceding the applicable fiscal year, as determined by the

28 based on:

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11.Unless a county income tax rate of other than [2.54%]22.59% was in effect, the receipts described in subsection (a) (2) of this section;
 2. The population of the county as last projected by the 4 Department of Health and Mental Hygiene for July 1 of the applicable taxable year or 5 the latest decennial census for the applicable taxable year; and
 3. If the county income tax rate is other than [2.54%] 2.59% 7 in the applicable taxable year, the receipts described in subsection (a)(2) of this 8 section that would have been received if a county income tax rate of [2.54%] 2.59% 9 had been in effect; and
10(ii)The per capita statewide yield of the county income tax, based11 on:
12 1. The total receipts for county income tax described in 13 subsection (a)(2) of this section for counties with an income tax rate of [2.54%] 2.59% 14 in effect;
 2. The State population as last projected by the Department of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest decennial census for the applicable taxable year; and
 3. For counties with an income tax rate of other than [2.54%] 2.59% in effect, the total receipts for county income tax described in subsection (a)(2) of this section that would have been received if a county income tax rate of [2.54%] 2.59% had been in effect.
 (2) (2) If the per capita yield of the county income tax for a county determined under paragraph (1)(i) of this subsection is less than [75%] 77.5% of the per capita statewide yield of the county income tax determined under paragraph (1)(ii) of this subsection, the Comptroller shall determine the amount that would increase the county per capita yield to equal [75%] 77.5% of the statewide per capita 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 to apply only prospectively and may not be applied or interpreted to have

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

- SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 3
- 4 October 1, 2002.