

HOUSE BILL 1441

Q2

8lr3209

By: **Delegate Anderson (By Request – Baltimore City Administration)**

Introduced and read first time: February 12, 2008

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Tax Increment Financing and Special Tax Districts –**
3 **MEDCO**

4 FOR the purpose of providing that certain special funds established with respect to
5 certain development districts in Baltimore City may be used to pay or
6 reimburse the Mayor and City Council of Baltimore under certain
7 circumstances for certain debt service on certain bonds, notes, or similar
8 instruments issued by the Maryland Economic Development Corporation;
9 providing that certain special funds established with respect to certain special
10 taxing districts in Baltimore City may under certain circumstances be applied
11 in a certain manner for certain purposes, accumulated for payment of certain
12 debt service on certain bonds, or used to pay or reimburse the Mayor and City
13 Council of Baltimore for certain debt service on certain bonds, notes, or similar
14 instruments issued by certain entities; defining certain terms; and generally
15 relating to certain authority for tax increment financing and special taxing
16 districts in Baltimore City.

17 BY adding to
18 The Charter of Baltimore City
19 Article II – General Powers
20 Section (62)(b)(18) and (62A)(b)(7)
21 (2006 Edition, as amended)

22 BY repealing and reenacting, with amendments,
23 The Charter of Baltimore City
24 Article II – General Powers
25 Section (62)(e)(2)(iii) and (62A)(f)
26 (2006 Edition, as amended)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **The Charter of Baltimore City**2 **Article II – General Powers**

3 The Mayor and City Council of Baltimore shall have full power and authority to
4 exercise all of the powers heretofore or hereafter granted to it by the Constitution of
5 Maryland or by any Public General or Public Local Laws of the State of Maryland; and
6 in particular, without limitation upon the foregoing, shall have power by ordinance, or
7 such other method as may be provided for in its Charter, subject to the provisions of
8 said Constitution and Public General Laws:

9 (62)

10 (b) (18) **“STATE OBLIGATIONS” MEANS ANY BONDS OR BOND, NOTES**
11 **OR NOTE, OR OTHER SIMILAR INSTRUMENTS OR INSTRUMENT ISSUED BY THE**
12 **MARYLAND ECONOMIC DEVELOPMENT CORPORATION, THE STATE OF**
13 **MARYLAND, OR ANY AGENCY, DEPARTMENT, OR POLITICAL SUBDIVISION**
14 **THEREOF, THE PROCEEDS OF WHICH HAVE BEEN USED FOR ANY OF THE**
15 **PURPOSES SPECIFIED IN SUBSECTION (C) OF THIS SECTION.**

16 (e) (2) When no bonds authorized by this section are outstanding with
17 respect to a development district and the Mayor and City Council of Baltimore by
18 ordinance so determines, moneys in the special fund for that development district
19 created pursuant to subsection (d)(3)(ii) of this section may be:

20 (iii) used to pay or to reimburse the Mayor and City Council of
21 Baltimore for debt service which the Mayor and City Council of Baltimore is obligated
22 to pay or has paid (whether such obligation is general or limited) on [bonds issued by
23 the Mayor and City Council of Baltimore, the State of Maryland, or any agency,
24 department, or political subdivision thereof, the proceeds of which have been used for
25 any of the purposes specified in subsection (c) of this section] **ANY BONDS OR STATE**
26 **OBLIGATIONS; or**

27 (62A)

28 (b) (7) **“STATE OBLIGATIONS” MEANS ANY BONDS OR BOND, NOTES**
29 **OR NOTE, OR OTHER SIMILAR INSTRUMENTS OR INSTRUMENT ISSUED BY THE**
30 **MARYLAND ECONOMIC DEVELOPMENT CORPORATION, THE STATE OF**
31 **MARYLAND, OR ANY AGENCY, DEPARTMENT, OR POLITICAL SUBDIVISION**
32 **THEREOF, PROVIDED:**

33 (I) **SUCH BONDS ARE ISSUED FOR THE PURPOSES**
34 **SPECIFIED IN SUBSECTION (A)(2) OF THIS SECTION;**

1 (II) A REQUEST HAS BEEN MADE TO THE MAYOR AND CITY
2 COUNCIL OF BALTIMORE BY BOTH:

3 1. THE OWNERS OF AT LEAST TWO-THIRDS OF THE
4 ASSESSED VALUATION OF THE REAL PROPERTY LOCATED WITHIN THE SPECIAL
5 TAXING DISTRICT; AND

6 2. AT LEAST TWO-THIRDS OF THE OWNERS OF THE
7 REAL PROPERTY LOCATED WITHIN THE SPECIAL TAXING DISTRICT, PROVIDED
8 THAT MULTIPLE OWNERS OF A SINGLE PARCEL ARE TREATED AS A SINGLE
9 OWNER; AND A SINGLE OWNER OF MULTIPLE PARCELS IS TREATED AS ONE
10 OWNER; AND

11 (III) THE PROCEEDS OF SUCH BONDS HAVE BEEN APPLIED IN
12 ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.

13 (f) (1) WHEN NO BONDS AUTHORIZED BY THIS SECTION ARE
14 OUTSTANDING WITH RESPECT TO A SPECIAL TAXING DISTRICT AND THE MAYOR
15 AND CITY COUNCIL OF BALTIMORE BY ORDINANCE SO DETERMINES, MONEYS
16 IN THE SPECIAL FUND FOR THAT SPECIAL TAXING DISTRICT CREATED
17 PURSUANT TO SUBSECTION (E)(1) OF THIS SECTION MAY BE:

18 (I) APPLIED AS PROVIDED IN SUBSECTION (D) OF THIS
19 SECTION IN ACCORDANCE WITH THE PURPOSES SET FORTH IN SUBSECTION
20 (A)(2) OF THIS SECTION;

21 (II) ACCUMULATED FOR PAYMENT OF DEBT SERVICE ON
22 BONDS SUBSEQUENTLY ISSUED UNDER THIS SECTION FOR ANY OF THE
23 PURPOSES DESCRIBED IN SUBSECTION (A)(2) AND WHOSE PROCEEDS ARE TO BE
24 APPLIED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; OR

25 (III) USED TO PAY OR TO REIMBURSE THE MAYOR AND CITY
26 COUNCIL OF BALTIMORE FOR DEBT SERVICE WHICH THE MAYOR AND CITY
27 COUNCIL OF BALTIMORE IS OBLIGATED TO PAY OR HAS PAID (WHETHER SUCH
28 OBLIGATION IS GENERAL OR LIMITED) ON ANY BONDS OR STATE OBLIGATIONS.

29 (2) (I) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY
30 ENACT AN ORDINANCE CREATING A SPECIAL FUND DESCRIBED IN SUBSECTION
31 (E)(1)(II) OF THIS SECTION WITH RESPECT TO A SPECIAL TAXING DISTRICT,
32 EVEN THOUGH NO BONDS AUTHORIZED BY THIS SECTION HAVE BEEN ISSUED BY
33 THE MAYOR AND CITY COUNCIL OF BALTIMORE WITH RESPECT TO THAT
34 SPECIAL TAXING DISTRICT OR ARE THEN OUTSTANDING.

1 **(II) THE TAXES ALLOCATED TO SUCH SPECIAL FUND BY**
2 **SUBSECTION (E)(2) OF THIS SECTION SHALL THEREAFTER BE PAID OVER TO**
3 **SUCH SPECIAL FUND, AS LONG AS SUCH ORDINANCE REMAINS IN EFFECT.**

4 **(3)** When no bonds authorized by this section are outstanding with
5 respect to a special taxing district:

6 **[(1)] (I)** the special taxing district shall be terminated; and

7 **[(2)] (II)** any moneys remaining in the special fund on the date of
8 termination of the special taxing district shall be paid to the general fund of the Mayor
9 and City Council of Baltimore.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2008.