

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

Re-referred to: Ways and Means, February 25, 2008

Committee Report: Favorable

House action: Adopted

Read second time: March 19, 2008

CHAPTER _____

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article II – General Powers
 2 Section (62)(e)(2)(iii) and (62A)(f)
 3 (2006 Edition, as amended)

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

6 **The Charter of Baltimore City**

7 Article II – General Powers

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

14 (62)

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

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

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

32 (62A)

33 (b) (7) **“STATE OBLIGATIONS” MEANS ANY BONDS OR BOND, NOTES**
 34 **OR NOTE, OR OTHER SIMILAR INSTRUMENTS OR INSTRUMENT ISSUED BY THE**
 35 **MARYLAND ECONOMIC DEVELOPMENT CORPORATION, THE STATE OF**

1 MARYLAND, OR ANY AGENCY, DEPARTMENT, OR POLITICAL SUBDIVISION
2 THEREOF, PROVIDED:

3 (I) SUCH BONDS ARE ISSUED FOR THE PURPOSES
4 SPECIFIED IN SUBSECTION (A)(2) OF THIS SECTION;

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

7 1. THE OWNERS OF AT LEAST TWO-THIRDS OF THE
8 ASSESSED VALUATION OF THE REAL PROPERTY LOCATED WITHIN THE SPECIAL
9 TAXING DISTRICT; AND

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

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

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

22 (I) APPLIED AS PROVIDED IN SUBSECTION (D) OF THIS
23 SECTION IN ACCORDANCE WITH THE PURPOSES SET FORTH IN SUBSECTION
24 (A)(2) OF THIS SECTION;

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

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

33 (2) (I) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY
34 ENACT AN ORDINANCE CREATING A SPECIAL FUND DESCRIBED IN SUBSECTION

1 (E)(1)(II) OF THIS SECTION WITH RESPECT TO A SPECIAL TAXING DISTRICT,
2 EVEN THOUGH NO BONDS AUTHORIZED BY THIS SECTION HAVE BEEN ISSUED BY
3 THE MAYOR AND CITY COUNCIL OF BALTIMORE WITH RESPECT TO THAT
4 SPECIAL TAXING DISTRICT OR ARE THEN OUTSTANDING.

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

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.