CHAPTER 544

(House Bill 1441)

AN ACT concerning

Baltimore City – Tax Increment Financing and Special Tax Districts – MEDCO

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

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

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

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

The Charter of Baltimore City

Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and

in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62)

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

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

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

(62A)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 13, 2008.