

# HOUSE BILL 1395

L6

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By: **Delegates Anderton, B. Barnes, Sample-Hughes, and A. Washington**

Introduced and read first time: February 12, 2016

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

### 2 **Local Government – Disparity Grants – Amounts**

3 FOR the purpose of altering the calculation of certain grants to counties and Baltimore City  
4 under certain circumstances and for certain fiscal years; and generally relating to  
5 certain grants to counties and Baltimore City.

6 BY repealing and reenacting, with amendments,  
7 Article – Local Government  
8 Section 16–501  
9 Annotated Code of Maryland  
10 (2013 Volume and 2015 Supplement)

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

### 13 **Article – Local Government**

14 16–501.

15 (a) Subject to subsection (e) of this section, for each fiscal year, the Comptroller  
16 shall pay to an eligible county a grant in the amount determined under subsection (c)(3) of  
17 this section.

18 (b) A county may not receive a grant under subsection (a) of this section if the  
19 county's income tax rate was less than 2.6%:

20 (1) for the taxable year that ended in the second prior fiscal year; or

21 (2) for any subsequent taxable year through the taxable year that ends in  
22 the current fiscal year.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(c) (1) For each fiscal year, the Comptroller shall determine for each county:

(i) the county income tax collected from individuals for the taxable year that ended in the second prior fiscal year, based on tax returns filed through November 1 of the year following the applicable taxable year; and

7 (2) For each fiscal year, the Comptroller shall determine as rounded to the  
8 nearest cent:

9 (i) the per capita yield of the county income tax for each county,  
10 based on:

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

27 (d) The Comptroller shall pay to an eligible county the amount determined under  
28 subsection (c)(3) of this section in quarterly payments during each fiscal year.

(2) (i) If a county or Baltimore City has a county income tax rate of at least 2.8% but less than 3%, the county or Baltimore City may receive a minimum of 20% of the amount determined under subsection (c)(3) of this section.

7 (iii) If a county or Baltimore City has a county income tax rate of at  
8 least 3.2%[,]:

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
19 1, 2016.