

SB0455/899436/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 455
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “assessed” in line 3 down through “terms;” in line 6 and substitute “State Department of Assessments and Taxation to certify annually the amount of assessable base for certain real property; requiring certain State education aid to be calculated in a certain manner for each fiscal year;”; in line 6, after “Act;” insert “declaring the intent of the General Assembly regarding the consideration of the impact of certain economic development incentives in certain jurisdictions in making certain recommendations of a certain study; requiring a certain study and a certain commission to make certain recommendations on certain issues; providing for the termination of this Act;”; strike line 10 in its entirety and substitute “Section 5-202(a)(1), (3), (4), (9) through (11), and (14) and (b)”; after line 12, insert:

“BY adding to

Article – Education

Section 5-202(l)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)”;

and strike in their entirety lines 13 through 17, inclusive.

AMENDMENT NO. 2

On page 2, in line 1, strike “**(I)**”; in the same line, strike the brackets; strike beginning with “**EXCEPT**” in line 1 down through “**ASSESSED**” in line 2; and strike in their entirety lines 7 through 20, inclusive.

AMENDMENT NO. 3

On page 3, after line 7, insert:

(Over)

“(L) (1) EXCEPT FOR SUBSECTION (K) OF THIS SECTION, THIS SUBSECTION APPLIES TO EDUCATION PROGRAMS THAT USE WEALTH TO CALCULATE STATE AID FORMULAS UNDER THIS SUBTITLE.

(2) (I) THE CALCULATIONS IN THIS PARAGRAPH APPLY ONLY TO A COUNTY THAT:

1. ESTABLISHES A DEVELOPMENT DISTRICT UNDER TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE OR ARTICLE II, § 62 OF THE CHARTER OF BALTIMORE CITY AFTER MAY 1, 2016; AND

2. QUALIFIES FOR A DISPARITY GRANT UNDER § 16-501 OF THE LOCAL GOVERNMENT ARTICLE.

(II) THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL CERTIFY THE ORIGINAL AMOUNT OF ASSESSABLE BASE FOR REAL PROPERTY THAT IS LOCATED IN A DEVELOPMENT DISTRICT THAT MEETS THE REQUIREMENTS IN SUBPARAGRAPH (I) OF THIS PARAGRAPH AS OF JANUARY 1 OF THE YEAR PRECEDING THE YEAR IN WHICH THE ORDINANCE OR RESOLUTION ESTABLISHING THE DEVELOPMENT DISTRICT BECOMES EFFECTIVE.

(III) FOR A DEVELOPMENT DISTRICT THAT MEETS THE REQUIREMENTS IN SUBPARAGRAPH (I) OF THIS PARAGRAPH AND IS STILL IN EFFECT, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL ANNUALLY CERTIFY THE AMOUNT OF ASSESSABLE BASE FOR REAL PROPERTY THAT IS LOCATED IN THE DEVELOPMENT DISTRICT AS OF JULY 1 OF THE FIRST COMPLETED FISCAL YEAR BEFORE THE SCHOOL YEAR FOR WHICH THE CALCULATION IS MADE UNDER THIS SECTION.

(IV) THE DIFFERENCE BETWEEN THE AMOUNT OF ASSESSABLE BASE FOR REAL PROPERTY CERTIFIED UNDER SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH IS THE TAX INCREMENT FOR THE DEVELOPMENT DISTRICT.

(3) FOR EACH FISCAL YEAR, USING NET TAXABLE INCOME BASED ON TAX RETURNS FILED ON OR BEFORE NOVEMBER 1, STATE AID SHALL BE CALCULATED AS FOLLOWS:

(I) ONCE USING THE ASSESSED VALUATION OF REAL PROPERTY ESTIMATE UNDER SUBSECTION (A) OF THIS SECTION; AND

(II) AGAIN USING THE ASSESSED VALUATION OF REAL PROPERTY ESTIMATE UNDER SUBSECTION (A) OF THIS SECTION REDUCED BY THE SUM OF THE TAX INCREMENTS CALCULATED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(4) IF THE AMOUNT OF STATE AID CALCULATED UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION IS GREATER THAN THE AMOUNT CALCULATED UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION, THE ADDITIONAL STATE AID SHALL BE PROVIDED AS A GRANT TO THE COUNTY BOARD.”;

strike in their entirety lines 8 through 19, inclusive; in line 22, strike “2016” and substitute “2017”; after line 22, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) It is the intent of the General Assembly that the final recommendations of the study of the adequacy of education funding being conducted as required by Chapter 288 of 2002, as amended by Chapter 397 of 2011, and any commission that may be established to make recommendations on the adequacy study, shall consider the impact of economic development incentives in low wealth jurisdictions on State education aid.

(Over)

SB0455/899436/1 Budget and Taxation Committee
Amendments to SB 455
Page 4 of 4

including the exclusion provided under § 5-202(l) of the Education Article as enacted by this Act.

(b) The adequacy study and any commission shall make recommendations on:

(1) whether the assessed value of tax increment financing districts should be excluded from the calculation of wealth for State education aid purposes and, if so, any limits on the exclusions that should be considered; and

(2) the continuation of the hold harmless grants established by this Act.”;

in line 23, strike “3.” and substitute “4.”; and in line 24, after “2016.” insert “It shall remain effective for a period of 3 years and 1 month and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.