

HOUSE BILL 1395

L6

(6lr2501)

ENROLLED BILL

— Appropriations/Budget and Taxation —

Introduced by **Delegates Anderton, B. Barnes, Sample-Hughes, and A. Washington**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

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; *providing for the*
5 *termination of this Act*; and generally relating to certain grants to counties and
6 Baltimore City.

7 BY repealing and reenacting, with amendments,

8 Article – Local Government

9 Section 16–501

10 Annotated Code of Maryland

11 (2013 Volume and 2015 Supplement)

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

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.

Italics indicate opposite chamber/conference committee amendments.



Article – Local Government

1

2 16–501.

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

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

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

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

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

12 (i) the county income tax collected from individuals for the taxable
13 year that ended in the second prior fiscal year, based on tax returns filed through November
14 1 of the year following the applicable taxable year; and

15 (ii) the amount of county income tax that the county would have
16 received if the county income tax rate was 2.54%.

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

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

21 1. the population of the county as last projected by the
22 Department of Health and Mental Hygiene for July 1 of the applicable taxable year or the
23 latest decennial census for the applicable taxable year; and

24 2. the amount specified in paragraph (1)(ii) of this
25 subsection; and

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

27 1. the State population as last projected by the Department
28 of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest
29 decennial census for the applicable taxable year; and

30 2. the amount of county income tax specified in paragraph
31 (1)(ii) of this subsection for all counties.

1 (3) If the per capita yield of the county income tax for a county determined
2 under paragraph (2)(i) of this subsection is less than 75% of the per capita statewide yield
3 of the county income tax determined under paragraph (2)(ii) of this subsection, the
4 Comptroller shall determine the amount that would increase the county per capita yield to
5 equal 75% of the statewide per capita yield, as rounded to the nearest dollar.

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

8 (e) (1) Except as provided in paragraph (2) of this subsection, for fiscal year
9 2011 and each subsequent fiscal year, the distribution provided to any county or Baltimore
10 City under this section may not exceed the amount distributed to the county or Baltimore
11 City for fiscal year 2010.

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

15 (ii) If a county or Baltimore City has a county income tax rate of at
16 least 3% but less than 3.2%, the county or Baltimore City may receive a minimum of 40%
17 of the amount determined under subsection (c)(3) of this section.

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

20 **1. ON OR BEFORE JUNE 30, 2017,** the county or Baltimore
21 City may receive a minimum of 60% of the amount determined under subsection (c)(3) of
22 this section; AND

23 **2. IN FISCAL ~~YEAR 2018~~ YEARS 2018 AND 2019, THE**
24 **COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 67.5% OF THE AMOUNT**
25 **DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION; AND**

26 **~~3. IN FISCAL YEAR 2019 AND EACH FISCAL YEAR~~**
27 **~~THEREAFTER, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 75%~~**
28 **~~OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION.~~**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2019,
31 with no further action required by the General Assembly, this Act shall be abrogated and of
32 no further force and effect.