

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor
101 City Hall
Baltimore, Maryland 21202

September 6, 2016

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 16-0727 – Charles Village Community Benefits District
Supplemental Tax – Exclusion from High-Performance Market-Rate
Rental Housing Tax Credit

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 16-0727 for form and legal sufficiency. The bill would add language to Subtitle 6 of Article 14 of the City Code that concerns the Charles Village Community Benefits District. Currently, Section 6-8(b)(3) provides that the same refunds and credits, as well as all the same assessments, collection and enforcement procedures, that apply to the billing of real property taxes for any property within the Charles Village Community Benefits District must also apply to the billing of the Supplemental Tax. This means that if a property receives a real property tax credit, like the High-Performance Market-Rate Rental Tax Credit contained in Section 10-18 of Article 28 of the City Code, on its real property tax bill, that credit also must be applied to the Supplemental Tax bill.

The language in this legislation would prohibit application of the High – Performance Market Rate Rental Tax Credit contained in Section 10-18 of Article 18, to the Supplemental Tax for any property in the Charles Village Community Benefits District. Any property owners in that District receiving that credit would still have it apply to reduce the real property tax bill but it will not be applied to reduce the Supplemental Tax bill.

The removal of this one credit from the Supplemental Tax bill does not change either the assessable base referenced in Section 6-8(a), nor the timing of collection, in Section 6-8(b)(2) of Article 14 of the Code. This removal, which results in a change in the amount of tax imposed on certain properties in the District, is also in accordance with the community benefit district powers granted to the Mayor and City Council by the General Assembly in Section (63)(c)(1) of Article II of the City Charter. This removal does not change the Supplemental Tax rate, nor the kind of charges imposed on the District, and therefore does not need approval of the Board of Estimates. City Charter, Art. II, §(63)(c)(3); City Code, Art. 14, §6-14(c).



Fav w/ comments

Finally, the removal of this credit from the Supplemental Tax bills for properties in the Charles Village Community Benefits District does not violate any provision of the state enabling law concerning the High-Performance Market-Rate Rental Tax Credit, nor does it require any changes to the City's tax code, because it does not alter the eligibility for that real property credit. Md. Code, Tax-Prop., §9-242; City Code, Art. 28, §10-18.

As there are no legal impediments the removal of this credit from the Supplemental Tax bills in the Charles Village Community Benefits District, the Law Department approves this legislation for form and legal sufficiency.

Very truly yours,

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Chief Solicitor

cc: David Ralph, Acting City Solicitor
Angela C. Gibson, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalo, Chief Solicitor
Jennifer Landis, Assistant Solicitor