



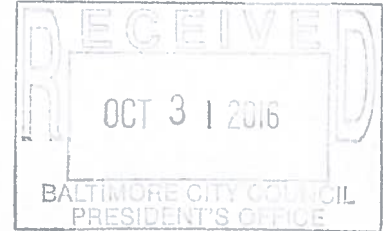
MEMORANDUM

TO: Honorable President and Members of the City Council  
Attention: Natawna B. Austin, Executive Secretary

FROM: William H. Cole, President and CEO *WHC*

DATE: October 28, 2016

SUBJECT: City Council Bill No. 16-0763  
Retail Business Districts – Semiannual Fee Collection



The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill 16-0763, an Ordinance concerning Retail Business Districts – Semiannual Fee Collection.

Baltimore City has ten (10) special benefit districts known as Retail Business Districts (“RBDLs”) that are subject to a Retail Business District License Fee. These fees are assessed on each business in the Retail Business District boundaries in the following manner: in October of each year, the BDC, in conjunction with the Board of each RBDL, conducts an annual inventory of all active businesses subject to the fee in a given RBDL. The BDC then provides a list of all active businesses within the RBDL area to the Department of Finance, which issues a bill to each business that is subject to the fee. Bills are sent by the Department of Finance directly to the businesses on December 1<sup>st</sup> of each year, and payment of the bills is due by December 31<sup>st</sup>.

The Department of Finance, upon collecting all fees for a subject RBDL, disburses all fees received back to the RBDL Board of Directors, save for 3% of the fees that are reserved by the Department of Finance for administrative costs. Disbursements are made to the RBDL three (3) times a year.

This amendment modifies the rules for the York Road RBDL in the following way: instead of requiring payment of the entire RBDL fee in December, a semi-annual bill will be issued and due on January 1<sup>st</sup>, with a second semi-annual bill issued and due on July 1<sup>st</sup>. This change may have the effect of easing the burden on local businesses subject to the fee by splitting the payment over six months. However, it may also have the effect of spreading the cash flow over the entire year for the RBDL. This may have negative budgetary consequences for the RBDL, depending on their operating plan, as many events and activities take place during the spring and summer months. With semi-annual payments, half of the fees will likely be disbursed to the RBDL after programming for those months has taken place, which may cause the RBDL to have insufficient funds to plan and execute events in the first year that this goes into effect – which

*Fav w/ comment*

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may be likely to be smoothed out in subsequent years. BDC will defer to the Finance City Department regarding additional effects that this change will have on its billing, collection, and disbursement procedures.

BDC supports Bill 16-0763, provided that this change does not require taking a semi-annual inventory of businesses in the RBDL, and the annual inventory that currently takes place continues to serve as the basis for calculating the RBDL fees owed by each businesses, which will then be billed, collected, and disbursed semi-annually by the Department of Finance.

cc: Colin Tarbert  
Angela Gibson

sandra.blake/ccbill16/16-0763