


<b>FROM</b>	NAME & TITLE	Janice Simmons, Chief, Bureau of Revenue Collections	CITY OF BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Finance -Bureau of Revenue Collections 200 Holliday Street, Room 7 410-396-3961		
	SUBJECT	City Council Bill #16-0763 Retail Business Districts – Semiannual Fee Collection		

TO

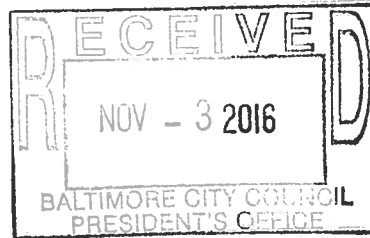
REVISED – 11/3/16

DATE

November 3, 2016

The Honorable President and  
Members of the City Council  
Room 400, City Hall

Attention: Ms. Natawna Austin



We are herein reporting on City Council Bill 16-0763, the purpose of which is to amend Article 14, Section(s) 11-7(a) of the Baltimore City Code; to add a new Section(s) 11-23 (d), the purpose of which is to alter the collection period of the license fee for the York Road Retail Business District from annual to semiannual.

**Background**

Retail Business District License (RBDL) areas are City-defined commercial districts in which all businesses pay an annual fee, collected by the Department of Finance – Bureau of Revenue Collections (BRC), that is then used by the respective local business associations for marketing, promotions, beautification, and special events. City Council enacts the ordinances defining the boundaries, fee amounts, and collection period for each of the City’s ten RBDLs. Each District has a different fee rate and method of calculation, but all Districts are currently billed annually. The Department of Finance – Bureau of Accounting and Payroll Systems (BAPS) charges each District 3% of its RBDL balance for the collection and accounting of this fee. Revenue from the 3% charge supports the City’s General Fund and is meant to offset BRC staff operating costs. The table below summarizes the last three fiscal years of collected RBDL General Fund revenue:

Administrative Charge (3% of Total Fee)	Fiscal 2014	Fiscal 2015	Fiscal 2016
Total Collected	\$6,962	\$6,480	\$7,964

The BRC individually invoices businesses in each of the ten RBDL areas by December, with full payment due no later than January 1<sup>st</sup> of the following calendar year. As the number of businesses in any given District can fluctuate over time, the invoicing phase is initiated by a pre-inventory walk conducted by Baltimore Development Corporation (BDC) staff, beginning in late September and ending in early November. The table below summarizes the number of identified businesses in each District-FY2016.

Retail Business District	Number of Businesses
1 - Old Town	16
2 - Market Center	309
3 - York Rd./Govanstowne	224
4 - Pimlico	73
5 - Monument	119
6 - Highlandtown	152

*Fav w/ comments*

7 - Hamilton	69
8 - Federal Hill	161
9 - Pennsylvania Ave	53
10 - Mt. Washington	47
<b>Total</b>	<b>1,223</b>

In addition to the pre-inventory walk, BDC and BRC staff conduct a pre-lawsuit inventory walk, beginning in late January and ending the first week of March, in order to hand-deliver delinquency notices to noncompliant business owners. The Baltimore City Law Department and BRC use this information for potential court filings and processing. The Department of Finance defers to BDC and Law for these agencies' respective analyses of the proposed bill's operating impact.

### Analysis

The License Unit of the Bureau of Revenue Collections will issue a bill for a semi-annual license to the 224 businesses in the York Road/Govanstowne district and the licenses will be issued in January, 2017 to those businesses that pay the license fee, as requested in Council Bill 16-0763. In July of 2017, once the RBDL for the Govanstowne Business Association has converted, an annual Business Improvement District bill will be mailed to the 224 districts in the York Road Govanstowne district. Mailing a semi-annual license will reduce the double billing that would have occurred if an annual license fee had been charged and distributed in January of 2017.

### Conclusion

The Department of Finance supports Council Bill 16-0763.

cc: Henry Raymond  
Angela Gibson