

ARTICLE 28
TAXES

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DIVISION I: GENERAL ADMINISTRATION**SUBTITLE 1
OATHS****§ 1-1. Director may administer.***(a) In general.*

The Director of Finance shall have power and authority to administer oaths with the same powers possessed by a Notary Public of the State of Maryland in connection with the performance of the duties of his office.

(b) Authority to delegate.

And he may, from time to time, designate 1 or more of the employees of his office to administer oaths pursuant to the performance of the duties required of them by law or ordinance or assigned to them by the said Director of Finance.

(City Code, 1950, art. 37, §33; 1966, art. 28, §34; 1976/83, art. 28, §3.) (Ord. 38-799; Ord. 76-141.)

SUBTITLE 2
LIEN CERTIFICATES

§ 2-1. Bureau of Liens created; lien certificates established.

The Director of Finance is hereby authorized and directed, in accordance with Article II, § (19) of the City Charter:

(1) to establish and provide, as a part of his Department, a subdepartment or bureau, to be known as the Bureau of Liens, where there shall be collected, upon application, as hereinafter directed, and kept, a record of the kind and amount of all municipal charges and assessments affecting real estate; and

(2) to provide for the issuance of a formal certificate thereby, setting forth plainly whether any and, if so, what municipal charges or assessments exist against any particular piece of property in the City of Baltimore.

(City Code, 1927, art. 46, §68; 1950, art. 37, §38; 1966, art. 28, §36; 1976/83, art. 28, §5.) (Ord. 15-579; Ord. 76-141.)

§ 2-2. Chief Clerk and assistant.

(a) *Chief Clerk.*

The Director of Finance is hereby authorized and directed to appoint a competent person, to be designated Chief Clerk, Bureau of Liens, to take and have charge, under the supervision of said Director of Finance, of said bureau so to be established, and to do such other works as the Director of Finance may direct.

(b) *Assistant to Chief Clerk.*

In addition thereto, the Director of Finance shall appoint 1 other competent person who shall, under the direction of the Chief Clerk in charge of said bureau, to be appointed as aforesaid, perform such clerical and other work as may be found necessary to be done in connection with the operation of said bureau, or as otherwise directed.

(c) *Compensation.*

The salaries of the Chief Clerk in charge of said Bureau and his Assistant and the expense of said bureau shall be such as may be fixed by the Board of Estimates and provided for in the Ordinance of Estimates.

(City Code, 1927, art. 46, §69; 1950, art. 37, §39; 1966, art. 28, §37; 1976/83, art. 28, §6.) (Ord. 15-579; Ord. 76-141.)

§ 2-3. Issuance and effect of lien certificates.

(a) *Issuance.*

The Director of Finance, through the Chief Clerk in charge of said Bureau, to be appointed as aforesaid, shall make provisions for:

- (1) the systematic and reliable collection of accurate data in regard to all municipal charges or assessments affecting any particular piece of real property situate in the City of Baltimore; and
- (2) the issuance, upon the application of any person tendering a fee of \$15 for each separate piece of property inquired about, of a certificate showing plainly and accurately the kind and amount of all such charges or assessments against such particular piece of property.

(b) *Effect.*

- (1) Said certificate hereby provided to be issued, when issued, shall be and become effectual in favor of every bona fide purchaser for value and without notice to bar any claim thereafter, for and on account of any charge or assessment against any particular piece of property, precluded by the fact of said certificate.
- (2) But neither the payment of the said fee nor the issuance of the certificate mentioned shall in any event be held to preclude the claim by the City to any charge or assessment as against:
 - (i) the owner of the property at the time such certificate as is herein provided for is applied for and issued; or
 - (ii) any person acquiring said property with knowledge of such claim.

(c) *Fees.*

All fees tendered in payment for the issuance of certificates, as herein provided, shall be collected and receipted for and accounted for by the Director of Finance in the same manner as if the same were proceeds of City taxes.

(*City Code, 1927, art. 46, §70; 1950, art. 37, §40; 1966, art. 28, §38; 1976/83, art. 28, §7.*) (*Ord. 15-579; Ord. 26-765; Ord. 76-141; Ord. 82-574.*)

§ 2-4. Bureau access to supporting information.

(a) *Access to agency records.*

For the purpose of obtaining the information necessary to give said certificate, the said Chief Clerk, or his assistant, shall, at all times, have access to the books and records of every department, subdepartment, and municipal officer of the City, having any charges of any kind against any person, which constitute a lien against any real estate.

(b) *Agencies to provide information.*

And when so directed by the Board of Estimates, any department, subdepartment, or municipal officer shall furnish to said Chief Clerk or his assistant upon application, a written statement showing every item of any claim against any person, constituting a charge or lien against any real estate, under such system as may be arranged between such department or officer and said Chief Clerk, with the approval of the Board of Estimates.

(*City Code, 1927, art. 46, §71; 1950, art. 37, §41; 1966, art. 28, §39; 1976/83, art. 28, §8.*) (*Ord. 15-579.*)

§ 2-5. Payments by certificate holder.

In addition to the ordinary method of payment now in practice, immediately after the establishment of the Bureau herein provided for, any person holding a certificate issued by the said Bureau, as provided, shall be entitled to pay, and the Director of Finance shall receive in 1 payment all or any of the amounts constituting the separate charges or assessments shown by said certificates to be due, and the said Director shall thereafter distribute the various items thus collected to the respective departments to which they were primarily payable.

(*City Code, 1927, art. 46, §72; 1950, art. 37, §42; 1966, art. 28, §40; 1976/83, art. 28, §9.*) (*Ord. 15-579; Ord. 76-141.*)

§ 2-6. Certificate required for recordation.(a) *In general.*

(1) No written instrument intended to effect a transfer of any estate or inheritance or freehold, or any declaration of limitation of use, or any estate above 7 years shall be presented to the Clerk of the Circuit Court for Baltimore City for recordation among the Land Records of Baltimore City unless and until the person intending to record such written instrument shall first:

- (i) procure a certificate of liens from the Department of Finance of Baltimore City, which certificate shall be dated no later than 45 days from the date recordation is intended to be made; and
- (ii) exhibit evidence in the form of a receipt signed by the Director of Finance that all due and payable liens reflected on the said certificate have been paid in full.

(2) Except that this section shall not apply to any lease or sublease for an initial term of not more than 7 years which contains any provision for renewal for 1 or more succeeding stated terms of not more than 7 years each, if under such provision for renewal the right to effect or prevent each such renewal term shall be optional with either the landlord or tenant.

(b) *Liabilities for noncompliance.*

In the event any written instrument intending to effect a transfer which is subject to the provisions of this section is recorded by the Clerk of the Circuit Court for Baltimore City without liens reflected on the certificate of liens having first been paid in full:

(1) transferor and transferee shall be jointly and severally liable for the payment of such liens; and

(2) either or both shall be assessed by the Director of Finance of Baltimore City for:

(i) the amount of the lien due; plus

(ii) interest at the rate of ½% per month, or fractional part thereof, accounting from the date when such written instrument was received for recordation; and

(iii) a penalty of 10% of the lien due.

(c) *Court Clerk not responsible for collections.*

Nothing contained herein shall be taken or construed as imposing any duty or liability upon the Clerk of the Circuit Court for Baltimore City in connection with the administration or enforcement of the provisions of this section.

(d) *Exception.*

The provisions of this section shall not apply to the recordation of any written instrument, as hereinbefore defined, when:

(1) the sole purpose of such written instrument is to add the name or names of an additional person or persons to the title of any property; and

(2) such written instrument does not delete or transfer the interest of any existing title holder.

(City Code, 1976/83, art. 28, §10.) (Ord. 69-551; Ord. 70-906; Ord. 76-141.)

SUBTITLE 3
REFUNDS

§ 3-1. Limitations period.

No refunds shall be made by the Director of Finance nor ordered by the Board of Municipal and Zoning Appeals where the claim is filed more than 3 years from the date of payment of the taxes or other municipal charges.

(City Code, 1950, art. 37, §31(1st sen.)(2nd cl.); 1966, art. 28, §32(1st sen.)(2nd cl.); 1976/83, art. 28, §1(a)(7th sen.)) (Ord. 34-595; Ord. 44-149; Ord. 67-1090; Ord. 76-147.)

§ 3-2. Director to examine.

The Director of Finance is hereby authorized to examine all claims for return of taxes and other municipal charges which are alleged to have been paid in error resulting in an overpayment or a double payment.

(City Code, 1950, art. 37, §31(1st sen.)(1st cl.); 1966, art. 28, §32(1st sen.)(1st cl.); 1976/83, art. 28, §1(a)(1st sen.)) (Ord. 34-595; Ord. 44-149; Ord. 67-1090; Ord. 76-147.)

§ 3-3. Required documentation; appeal to BMZA.

(a) In general.

- (1) Where the claimant is able to present a canceled check or checks or a valid receipt or receipts as evidence of such overpayment or double payment, and where the records of the Department of Finance show that there has been such overpayment or double payment, the Director of Finance is hereby empowered to make refund of such payment.
- (2) If upon examination of a claim for an alleged overpayment or double payment of taxes or other municipal charges, the claimant is unable to establish such evidence as stipulated above, the claim shall be denied and the claimant may file a petition for a refund of such overpayment or double payment with the Board of Municipal and Zoning Appeals.

(b) Rules and regulations.

- (1) Notwithstanding the provisions of subsection (a) hereof, the Director of Finance is hereby authorized to adopt rules and regulations to establish the documentation necessary to be furnished by the taxpayer, to support a claim for refund of taxes paid as a result of an overpayment or a double payment on the taxpayers' property.
- (2) If upon examination of a claim for an alleged overpayment or double payment of taxes, the claimant is unable to establish such evidence as required by the Director of Finance's rules and regulations, the claim shall be denied and the claimant may file a petition for a refund of such overpayment or double payment with the Board of Municipal and Zoning Appeals, and have such rights as provided in this subtitle.

(City Code, 1950, art. 37, §31(1st sen.)(1st cl.), (2nd sen.); 1966, art. 28, §32(1st sen.)(1st cl.), (2nd sen.); 1976/83, art. 28, §1(a)(2nd, 3rd sens.), (b.)) (Ord. 34-595; Ord. 44-149; Ord. 67-1090; Ord. 76-147.)

§ 3-4. Action by BMZA.(a) *Examination of evidence.*

It shall be the duty of the Board of Municipal and Zoning Appeals to examine carefully all evidence presented upon such petitions to determine whether an overpayment or double payment does in fact exist.

(b) *Doubtful claims to be rejected.*

The Board shall reject all such claims as may be considered doubtful or not well founded.

(c) *Claim accepted.*

If the Board finds that the petition is well founded, the Board shall by order or orders in writing direct the Director of Finance to refund or repay the amount claimed.

(*City Code, 1950, art. 37, §31(2nd cl.); 1966, art. 28, §32(2nd cl.); 1976/83, art. 28, §1(a)(4th - 6th sens.).*) (*Ord. 34-595; Ord. 44-149; Ord. 67-1090; Ord. 76-147.*)

§ 3-5. Abatement of claim already paid.(a) *Board to investigate claim.*

Upon the representation of any taxpayer that he or she has paid the taxes or other municipal charges for which the Director of Finance has demanded payment, the Board of Municipal and Zoning Appeals is hereby authorized to investigate the case.

(b) *Abatement on proof of payment.*

If the party shall declare his or her receipt has been destroyed or lost, and if undoubted proof or satisfactory documentary evidence is given that the said bill has been paid, the claim shall be abated.

(*City Code, 1950, art. 37, §32(1st sen.); 1966, art. 28, §33(1st sen.); 1976/83, art. 28, §2(1st, 2nd sens.).*) (*Ord. 44-149; Ord. 67-1057.*)

§ 3-6. List of refunds and abatements.

The Board of Municipal and Zoning Appeals shall keep a correct list or account of all claims for the refund or abatement of taxes or other municipal charges presented to or examined by said Board, which said list or account shall contain the names and addresses of the person or persons presenting such claims, the amount of taxes or other municipal charges refunded or abated, including those rejected and the reasons for their action in the premises.

(*City Code, 1950, art. 37, §32(2nd sen.); 1966, art. 28, §33(2nd sen.); 1976/83, art. 28, §2(3rd sen.).*) (*Ord. 44-149; Ord. 67-1057.*)

**SUBTITLE 4
COLLECTIONS**

§ 4-1. Director to collect.

(a) *Personal property taxes.*

The Director of Finance is directed to collect taxes on personalty within 1 year from the date of the levy thereof, and at the expiration of the said period of 1 year, payment of all personal taxes then remaining unpaid shall be enforced by process of law.

(b) *Real property taxes.*

Taxes levied on real estate he is directed to collect as now provided by law.
(*City Code, 1893, art. 50, §70; 1927, art. 46, §79; 1950, art. 37, §48; 1966, art. 28, §47; 1976/83, art. 28, §20.*) (*Res. 1880-063; Ord. 76-141.*)

§ 4-2. Banks as tax-collection agents.

(a) *In general.*

The Director of Finance of the City of Baltimore is hereby authorized and directed, from time to time as may in his judgment seem necessary or desirable for the convenience of the public, to appoint banks, trust companies, and other financial institutions to act as agents of the said Director in the collection of State and City taxes, water rents, fees, and other charges:

- (1) provided that the financial institutions hereinabove mentioned are chartered by the United States of America or the State of Maryland and have authority under their charters to receive and hold money on deposit; and
- (2) provided further that they have been previously designated and approved for the purpose by the Board of Finance.

(b) *Forms.*

The Director is further authorized and directed to provide and establish such forms of receipts, blanks for daily reports, and other material as he may deem necessary in the execution of this section.

(c) *Effect.*

Municipal bills receipted by any financial institution so appointed shall have the same force and effect as if the same has been receipted by the Director.

(d) *Agreements.*

No agreement made by the Director with any bank or trust company pursuant to the authority granted by this section shall be binding on the City until it shall have been approved by the Board of Estimates.

(City Code, 1950, art. 37, §34; 1966, art. 28, §35; 1976/83, art. 28, §4.) (Ord. 28-512; Ord. 35-034; Ord. 47-057; Ord. 65-503.)

SUBTITLE 5
{RESERVED}

DIVISION II: PROPERTY TAX**SUBTITLE 6
DISCOUNTS, INTEREST, AND PENALTIES****§ 6-1. Discounts authorized.**

On all bills for taxes for municipal purposes for real estate, chattels real, and personal property levied and imposed for a taxable year, the Director of Finance shall allow a discount of 0.5% if paid on or before July 31.

*(City Code, 1927, art. 46, §43; 1950, art. 37, §43; 1966, art. 28, §41; 1976/83, art. 28, §11.)
(Ord. 27-196; Ord. 47-109; Ord. 48-538; Ord. 49-900; Ord. 55-1381; Ord. 59-024; Ord. 60-429;
Ord. 66-794; Ord. 68-041; Ord. 69-357; Ord. 10-339.)*

§ 6-2. Interest and civil penalties imposed.**(a) Bills rendered before September 1.**

(1) All ordinary City taxes which are due and payable on July 1 for any year shall be overdue and in arrears on October 1 of the same calendar year, and from and after that date they shall bear, until paid:

(i) interest at the rate of 1% for each month and fraction thereof; and

(ii) penalty at the rate of 1% for each month and fraction thereof.

(2) The foregoing due dates as stipulated in this subsection shall apply to all taxes based upon assessments reported to the Director of Finance provided that the bill therefor is rendered on or before August 31 in the taxable year for which such taxes apply.

(b) Bills rendered on or after September 1.

(1) Taxes based upon assessments reported to the Director of Finance, bills for which are rendered after August 31, in the taxable year for which such taxes apply, will be considered delinquent 30 days after the date of the bill therefor.

(2) Such bills, if not paid within the 30-day period, shall bear, until paid:

(i) interest at the rate of 1% for each month and fraction thereof; and

(ii) penalty at the rate of 1% for each month and fraction thereof.

(c) Escaped or omitted property.

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(City Code, 1927, art. 46, §44; 1950, art. 37, §44; 1966, art. 28, §42; 1976/83, art. 28, §12.) (Ord. 23-069; Ord. 24-283; Ord. 50-1444; Ord. 58-1598; Ord. 58-1615; Ord. 59-025; Ord. 66-847; Ord. 67-1017; Ord. 68-042; Ord. 69-356; Ord. 73-380; Ord. 81-366; Ord. 82-656; Ord. 83-929.)

§ 6-3. Three-quarter year taxes.(a) *In general.*

(1) Pursuant to the provisions of State Tax-Property Article §§ 10-104, 14-604, and 14-702, there is hereby levied a tax on any real property completed during the period after July 1 in any year and through September 30, or otherwise first added to the assessment rolls during such period, for the 9 months beginning on October 1 and ending on the next succeeding June 30.

(2) Taxes for these 9 months shall be computed by using the assessed valuation of the property at $\frac{3}{4}$ the current annual tax rate, and taxes imposed for these 9 months shall be due and payable as of the specified day of October 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

(b) *Interest and civil penalties.*

All such bills shall be overdue and in arrears on the next succeeding January 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

(1) interest at the rate of 1% for each month and fraction thereof; and

(2) penalty at the rate of 1% for each month and fraction thereof until paid.

(c) *Escaped or omitted property.*

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(City Code, 1976/83, art. 28, §13.) (Ord. 67-1100; Ord. 68-085; Ord. 69-454; Ord. 73-382; Ord. 81-366; Ord. 82-656; Ord. 83-929; Ord. 99-526.)

§ 6-4. One-half year taxes.(a) *In general.*

- (1) Taxes levied pursuant to State Tax-Property Article §§ 10-103, 14-604, and 14-702, on any real property completed during the period after October 1 in any year and through January 1 in the next succeeding year shall be computed by using the assessed valuation of the property at $\frac{1}{2}$ the current annual tax rate.
- (2) Taxes imposed for these 6 months shall be due and payable as of the specified day of January 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

(b) *Interest and civil penalties.*

All such bills shall be overdue and in arrears on the next succeeding April 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

- (1) interest at the rate of 1% for each month and fraction thereof; and
- (2) penalty at the rate of 1% for each month and fraction thereof.

(c) *Escaped or omitted property.*

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(*City Code, 1966, art. 28, §43; 1976/83, art. 28, §14.*) (*Ord. 65-714; Ord. 83-929*)

§ 6-5. One-quarter year taxes.(a) *In general.*

- (1) Pursuant to the provisions of State Tax-Property Article §§ 10-105, 14-604, and 14-702, there is hereby levied a tax on any real property completed during the period after January 1 in any year and through March 30, or otherwise first added to the assessment rolls during such period, for the 3 months beginning on April 1 and ending on the next succeeding June 30.
- (2) The taxes for these 3 months shall be computed by using the assessed valuation of the property at $\frac{1}{4}$ the current annual tax rate, and taxes imposed for these 3 months shall be due

and payable as of the specified day of April 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

(b) *Interest and civil penalties.*

All such bills shall be overdue and in arrears on the next succeeding July 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

(1) interest at the rate of 1% for each month and fraction thereof; and

(2) penalty at the rate of 1% for each month and fraction thereof.

(c) *Escaped or omitted property.*

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(City Code, 1976/83, art. 28, §15.) (Ord. 66-894; Ord. 67-1018; Ord. 68-086; Ord. 69-455; Ord. 73-381; Ord. 81-366; Ord. 82-656; Ord. 83-929.)

SUBTITLE 7
SEMIANNUAL PAYMENTS FOR OWNER-OCCUPIED DWELLINGS

§ 7-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *“Owner-occupied residential property”.*

“Owner-occupied residential property” has the meaning stated in State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(a).) (Ord. 94-323; Ord. 03-534.)

§ 7-2. Election of semiannual payment.

The real property taxes due on any owner-occupied residential property may be paid on a semiannual payment schedule as provided in State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(b), (c).) (Ord. 94-323; Ord. 03-534.)

§ 7-3. Service charge.

(a) *Charge imposed.*

A property owner electing to pay real property taxes under a semiannual payment schedule shall pay a service charge annually with the 2nd installment.

(b) *Charge as lien.*

The service charge and all interest and penalties due on the principal amount shall be a lien on the property of any person liable for the charge, interest, and penalties, and the lien shall be recorded and collected in the same manner as taxes are collected.

(c) *Amount of charge.*

The Mayor and City Council shall set the service charge in accordance with the requirements and limitations of State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(d), (e).) (Ord. 94-323; Ord. 03-534.)

§ 7-4. Contents of bill.

The property tax bill under a semiannual schedule shall contain the information required by State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(f).) (Ord. 94-323; Ord. 03-534.)

§ 7-5. Due dates; interest and civil penalties.

(a) *Due dates.*

Payments under a semiannual schedule are due as specified in State Tax-Property Article § 10-204.3.

(b) *Interest and civil penalties.*

Each semiannual installment that has not been paid by the respective date allowed in State Tax-Property Article § 10-204.3 for its payment without interest shall bear, until paid:

(1) interest at the rate of 1% for each month and fraction of a month; and

(2) penalty at the rate of 1% for each month and fraction of a month.

(City Code, 1976/83, art. 28, §16B(g) - (i.) (Ord. 94-323; Ord. 03-534.)

§ 7-6. Rules and regulations.

The Director of Finance may adopt rules and regulations:

(1) to carry out the provisions of this subtitle; and

(2) to conduct investigations to assure compliance with this subtitle.

(City Code, 1976/83, art. 28, §16B(j.) (Ord. 94-323; Ord. 03-534.)

**SUBTITLE 8
TAX SALES**

§ 8-1. Interest rate on redemptions from tax sales.

Pursuant to the authorization contained in State Tax-Property Article §14-820(b)(3), the interest rate applicable to redemptions of property from tax sales in Baltimore City is 18% a year. (*City Code, 1976/83, art. 28, §16.*) (*Ord. 73-379; Ord. 81-288; Ord. 83-938; Ord. 84-217; Ord. 99-516.*)

§ 8-2. Tax deeds copied, recorded.

It shall be the duty of the Comptroller of the City, upon receiving a deed from the Director of Finance of any property purchased by the City of Baltimore at any sale for taxes:

(1) to have said deed:

(i) copied into a book kept in his office for the purpose; and

(ii) also duly recorded among the land records in the Clerk's office of the Circuit Court for Baltimore City; and

(2) when recorded, to keep and file the original deed in the Comptroller's office.

(*City Code, 1893, art. 50, §67; 1927, art. 46, §76; 1950, art. 37, §45; 1966, art. 28, §44; 1976/83, art. 28, §17.*) (*Ord. 1880-045; Ord. 76-141.*)

§ 8-3. Resales of tax property.

(a) *Comptroller authorized to sell.*

(1) The City Comptroller may from the certified list hereinafter provided for, offer for sale any property purchased by the Mayor and City Council of Baltimore at sales of property by the Director of Finance for nonpayment of taxes, at either public or private sale.

(2) If an offer be made for any such property which in the judgment of said City Comptroller shall be advantageous to the Mayor and City Council of Baltimore, the said City Comptroller is hereby authorized to accept such offer and further authorized and directed to execute and deliver to the purchaser an all right, title, and interest deed for the property upon payment of the purchase money.

(b) *Certification list of saleable properties.*

(1) Provided, however, that the property so offered for sale shall be contained in a list of properties, arranged by Councilmanic District, proposed to be sold hereunder, which shall be from time to time supplied by the City Comptroller to the members of the City Council and to the President of the City Council who shall have the list of properties published in the City Council Journal.

- (2) If no written objection to the sale thereof by a member of the Council is received by the President within 30 days of the publishing of the list in the Journal, he shall so certify to the Comptroller.

(c) *Objection by Councilmember.*

- (1) Where timely objection to the sale of the properties or any of them is made, the same shall be stricken from the list prior to certification as aforesaid.
- (2) In the event that a member of the City Council shall file such a written objection to the sale within 30 days of the publishing of such list, then the City Comptroller shall seek authority for such sale by ordinance of the Mayor and City Council, except in such cases where the purchaser has a title interest in the property, in which latter event no prior authorization by an ordinance of the Mayor and City Council shall be required.

(d) *Approval of Board of Estimates and Solicitor.*

- (1) And provided that all such sales shall be ratified by the Board of Estimates.

- (2) And provided further, that no deed or deeds shall pass under this section unless the same be approved as to form and legal sufficiency by the City Solicitor.

(City Code, 1893, art. 50, §68; 1927, art. 46, §77; 1950, art. 37, §46; 1966, art. 28, §45; 1976/83, art. 28, §18.) (Ord. 1880-045; Ord. 01-020; Ord. 34-576; Ord. 50-1347; Ord. 73-477.)

§ 8-4. Reporting resales.

The City Comptroller shall report to the Supervisor of Assessments for Baltimore City, all property that may be sold by him under the provisions of the foregoing sections, with the names of the purchasers thereof, in order that the same may be properly assessed to the owners.

(City Code, 1893, art. 50, §69; 1927, art. 46, §78; 1950, art. 37, §47; 1966, art. 28, §46; 1976/83, art. 28, §19.) (Ord. 1880-045; Ord. 76-141.)

SUBTITLE 9
EXEMPTIONS

§ 9-1. Household furnishings.

On and after the year 1943, household furniture and effects held for the household use of the owner or members of his family, and not held or employed for purposes of profit or in connection with any business, profession, or occupation, shall be exempt from assessment and taxation.

(City Code, 1950, art. 37, §49; 1966, art. 28, §72; 1976/83, art. 28, §32.) (Ord. 41-563.)

§ 9-2. Manufacturers.

(a) *Equipment, etc., exempt.*

In order to encourage the growth and development of manufacturing industries in Baltimore City and thereby promote the general welfare of the inhabitants of the City, machinery and equipment used in the pasteurization, and processing of milk, laundry and dry cleaning machinery and equipment when employed or used in the business of laundering and dry cleaning, and all mechanical tools or implements, whether worked by hand or steam or other motive power, machinery, manufacturing apparatus or engines, actually and directly employed in the manufacturing process of a manufacturer, raw material on hand, and manufactured products in the hands of the manufacturers, shall be exempt from taxation for all ordinary municipal purposes of the Mayor and City Council of Baltimore.

(b) *Manufactured products in the hands of the manufacturer.*

Provided, that manufactured products in the hands of the manufacturer, with the exception of milk in the hands of the processor and bread in the hands of the baker, and food and food products in the hands of the processor or manufacturer thereof, and held in the hands of said manufacturer for sale at retail by such manufacturer, shall not be exempt from taxation under the terms and provisions of this section.

(c) *Definitions.*

- (1) In determining the fair average value of the inventory for sale at retail for the 12 months preceding the date of finality, it shall be presumed in the absence of clear evidence to the contrary that a ratio of the entire inventory held by the taxpayer during said period shall be subject to assessment equal to the ratio that the total retail sales bear to the total sales for such period.
- (2) The terms “retail sale” and “sale at retail” as used in this section shall be construed to be a sale in any quantity or quantities of any tangible personal property to any person, partnership, association, corporation, or other legal entity, as said terms are defined in the State Tax-General Article, when the sale is for any purpose other than those in which the purpose of the purchaser is:

- (i) to resell the property so transferred in the form in which it is received by him or it; or
- (ii) to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining.

(d) *Jobber and wholesaler.*

In case any person, firm, corporation or other legal entity engaged in manufacturing in Baltimore City shall also be engaged in the business of a jobber or wholesaler, nothing in this section shall be construed to exempt from taxation the personal property, other than goods of his own manufacture, used in connection with said business of jobber or wholesaler.

(e) *Ores and unrefined metals.*

- (1) Provided, further, that in the year 1960 and each year thereafter, ores and unrefined metals shipped into the City, for refining by others than the owners thereof, and the metals derived therefrom, while the said ore, and unrefined metals, and metals derived therefrom, are in the hands of the refiner, shall be exempt from assessment and taxation for all ordinary municipal purposes.
- (2) The term “refining” as used herein, means the reduction of ores and unrefined metals to a fine and pure state, unmixed and not alloyed with other metals or compounds.
- (3) Provided that nothing in this section shall be deemed to limit the application of the exemption granted by Article 37, § 50(a) of the Baltimore City Code of 1950, as said subsection was ordained by Ordinance 58-1340, to the extent that the same would otherwise be applicable.

(City Code, 1893, art. 50, §71; 1927, art. 46, §80; 1950, art. 37, §50; 1966, art. 28, §83; 1976/83, art. 28, §43.) (Ord. 1881-007; Ord. 12-140; Ord. 50-1503; Ord. 56-643; Ord. 58-1340; Ord. 59-156, Ord. 66-752; Ord. 99-526.)

§ 9-3. Stock in business.

The stock in business of every person, firm, corporation, or other legal entity engaged in any commercial business in the City of Baltimore is exempt from taxation for all ordinary municipal purposes of the Mayor and City Council of Baltimore.

(City Code, 1966, art. 28, §84; 1976/83, art. 28, §44.) (Ord. 58-1339; Ord. 76-084; Ord. 99-526.)

§ 9-4. Inventory of importer.

The inventories of foreign imports of importers located within Baltimore City shall be exempt from ordinary municipal taxation, provided the imported property is in the hands of the importer and is in the original package.

(City Code, 1976/83, art. 28, §45.) (Ord. 76-123.)

§ 9-5. New and expanded manufacturers, milk processors, laundries.*(a) Tools and implements.*

In order to encourage and promote the location of new manufacturing industries, and the expansion, growth and development of established manufacturing industries, in Baltimore City, beginning on July 1, 1958, and continuing thereafter, all mechanical tools or implements regardless of the kind of motive power needed or used to operate them, machinery, motors, engines, apparatus, or equipment used entirely or chiefly in connection with manufacturing, and all machinery and equipment used in the pasteurization and processing of milk, and all laundry machinery when employed or used in the business of laundering, shall be exempt from taxation for all ordinary municipal purposes of the Mayor and City Council of Baltimore:

- (1) if and when such personal property is used by any new manufacturing, milk processing, or laundering industry, as the case may be, located wholly within Baltimore City and if and when the plant or factory of such new manufacturing, milk processing, or laundering industry, as the case may be, is completed and placed in operation after July 1, 1958; or
- (2) if and when such personal property is acquired and used after July 1, 1958, by an established manufacturing, milk processing, or laundering industry, as the case may be, located wholly within Baltimore City for or in connection with the expansion, growth or development of such established manufacturing, milk processing, or laundering industry, as the case may be, *{and}* the total assessed valuation of such personal property is in excess of \$10,000 in each and every instance or particular case which is covered by the provisions of this subsection.

(b) Raw materials and manufactured products.

- (1) Raw materials on hand and in the possession of, and manufactured products in the hands of, any new manufacturing, milk processing, or laundering industry, as the case may be, located wholly within Baltimore City and whose plant or factory is completed and placed in operation after July 1, 1958, beginning on July 1, 1958, and continuing thereafter, shall be exempt from taxation for all ordinary municipal purposes of the Mayor and City Council of Baltimore.
- (2) Provided, the manufactured products in the hands of any such new manufacturing, milk processing, or laundering industry, as the case may be, with the exception of milk in the hands of the processor and bread in the hands of the baker, and food and food products in the hands of the processor or manufacturer thereof, and held in the hands of any such new manufacturing, milk processing, or laundering industry, as the case may be, for sale at retail by such manufacturer, milk processor, or launderer, shall not be exempt from taxation under the terms and provisions of this section.
- (3) In determining the fair average value of the inventory for sale at retail for the twelve months preceding the date of finality, it shall be presumed in the absence of clear evidence to the contrary that a ratio of the entire inventory held by the taxpayer during said period shall be subject to assessment equal to the ratio that the total retail sales bear to the total sales for such period.

(4) The terms “retail sale” and “sale at retail” as used in this section shall be construed to be a sale in any quantity or quantities of any tangible personal property to any person, partnership, association, corporation or other legal entity, as said terms are defined in the State Tax-General Article, when the sale is for any purpose other than those in which the purpose of the purchaser is:

- (i) to resell the property so transferred in the form in which it is received by him or it; or
- (ii) to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing or refining.

(5) In case any such new manufacturer, milk processor, or launderer, as the case may be, shall also be engaged in the business of a jobber or a wholesaler, nothing in this section shall be construed to exempt from taxation the personal property, other than goods of his own manufacture or products produced by him, used in connection with said business of jobber or wholesaler.

(c) *Obsolescence.*

Provided, however, that no tax exemption is granted under the provisions of this section for the replacement of any of such personal property which has simply or merely deteriorated or become obsolete.

(d) *Construction.*

The tax exemption provided for in this section shall be in addition to any other exemption granted by any ordinance or law exempting such personal property from taxation.
(*City Code, 1966, art. 28, §85; 1976/83, art. 28, §46.*) (*Ord. 58-1522.*)

§ 9-6. Affordable and inclusionary housing.

(a) *Definitions.*

(1) *In general.*

In this section, the following terms have the meanings indicated.

(2) *Affordable rent.*

“Affordable rent” means rent that does not exceed 30% of a household’s income.

(3) *Area median income.*

“Area median income” means the median household income, adjusted for household size, for the metropolitan region encompassing Baltimore City, as published and annually updated by the United States Department of Housing and Urban Development.

(4) *Qualifying development.*

“Qualifying development” means:

- (i) a redevelopment project of 30 or more residential rental units that will set aside 10% or more of the development’s total units to be rented at an affordable rent to a household earning not more than 60% of the area median income; or
- (ii) a new residential rental development project that:
 - (A) is new construction or is a conversion of a nonresidential structure that will provide 30 or more units of housing;
 - (B) has a combined private capital investment of equity and debt of at least \$10,000,000;
 - (C) sets aside at least 10% of the development’s total units to be rented at an affordable rent to a household earning not more than 60% of the area median income; and
 - (D) has not obtained site plan approval on or before June 30, 2007.

(5) *Site plan approval.*

“Site plan approval” means approval from the Planning Commission of the land development proposal of a qualified development to ensure its consistency with land development policies and regulations and accepted land design practices.

(b) *Rules and regulations.*(1) *In general.*

The Director of Finance, after consultation with the Housing Commissioner, must adopt rules and regulations to carry out the provisions of this section.

(2) *Filing with Legislative Reference.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they become effective.

(c) *Exemption granted.*

A redevelopment project or new residential rental development project is exempt from Baltimore City real property taxes if, in accordance with the rules and regulations adopted under this section:

- (1) the owner or owners of the project have filed an application for the exemption within the time period specified by the rules and regulations adopted under this subtitle;

- (2) the City determines that the project is a qualifying development meeting the requirements of this section;
 - (3) the City determines that the exemption is necessary to offset the owner's or owners' additional costs of providing affordable units at the qualifying development;
 - (4) the owner or owners of the qualifying development satisfy a financial review administered by the City that includes:
 - (i) a detailed description of the project and the development budget for the project, including the identification of all sources of debt and equity financing;
 - (ii) a multiyear pro forma cash flow analysis of the project detailing all incoming and outgoing cash flow including revenues, operating expenses, debt service, taxes, capital expenditures, and any other cash outlays;
 - (iii) the projected return on investment for the owner or owners;
 - (iv) the amount of potential revenue that may be lost through the provision of affordable housing; and
 - (v) any additional information specified in the rules and regulations adopted under this section; and
 - (5) the owner or owners of the qualifying development and the City enter into an agreement, approved by the Board of Estimates, that:
 - (i) provides that the owner or owners of the qualifying development must pay to the City a negotiated amount in lieu of the payment of City real property taxes;
 - (ii) specifies an amount that the owner or owners must pay to the City each year in lieu of the payment of City real property taxes during the term of the agreement that is not less than 75% of the annual property taxes that would otherwise be due to the City for the qualifying development in the initial year of the agreement; and
 - (iii) is limited to a term of not more than 10 years.
- (d) *Extensions of the agreement.*
- (1) *In general.*
- At the completion of the term of the agreement, the qualifying development may seek, and the Board of Estimates may grant, an extension of the agreement.
- (2) *10-year limit.*
- Each extension is limited to a term of not more than 10 years.

(e) *Maximum aggregate tax reduction.*

The Board of Estimates may not approve an agreement for payment of a negotiated amount in lieu of taxes under this section if the agreement would cause the total reduction in property tax revenues from all agreements entered into under this section to exceed \$2,000,000 in any taxable year.

(f) *State authorization.*

The property tax exemption granted by this section is contingent on the enactment and continuation of State legislation that authorizes the exemption.

(Ord. 07-474.)

§ 9-7. Private aircraft landing areas.(a) *Exemption granted.*

In accordance with State Tax-Property Article § 8-302, the essential portions of aircraft landing strips and areas, as certified by the Maryland Aviation Administration, are exempt from taxation, if the landing strips and areas are:

- (1) located on privately owned property;
- (2) used by the public; and
- (3) licensed under State Transportation Article Title 5.

(b) *Rules and regulations.*(1) *In general.*

The Director of Finance may adopt rules and regulations to carry out the provisions of this section.

(2) *Filing with Legislative Reference.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they become effective.

(Ord. 10-275)

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SUBTITLE 10
CREDITS

§ 10-1. Homestead property.

Pursuant to the authorization contained in State Tax-Property Article § 9-105, for the taxable year beginning July 1, 1993, the homestead credit percentage for the City property tax is 104%.
(*City Code, 1976/83, art. 28, §16A.*) (*Ord. 90-631; Ord. 91-842; Ord. 92-156.*)

§ 10-2. Dwellings on cemetery property.

(a) *Credit granted.*

In accordance with the provisions of State Tax-Property Article § 9-202, there is hereby established a tax credit from Baltimore City real property taxes levied on any improvement:

- (1) located on the site of cemetery property that is exempt under State Tax-Property Article § 7-201,
- (2) if the improvement is used as a dwelling by an employee of the owner of the exempt property.

(b) *Applications.*

- (1) The owner must file an application for this tax credit with the Director of Finance annually, on or before September 1 of the taxable year for which the credit is sought.
- (2) The application for the tax credit shall contain information that the Director of Finance considers necessary for determining the eligibility of the applicant.

(c) *Rules and regulations.*

The Director of Finance may adopt rules and regulations to carry out the provisions of this section.

(d) *Penalties for false statement.*

Any applicant who makes a false statement for the purpose of obtaining a tax credit under this section is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or imprisonment {*imprisoned*} for not more than 90 days or both fine and imprisonment.
(*City Code, 1976/83, art. 28, §75A.*) (*Ord. 86-780; Ord. 04-672.*)

§ 10-3. Vacant dwellings.(a) *“Vacant dwelling” defined.*

In this section, “vacant dwelling” means residential real property that:

- (1) contains no more than 4 dwelling units; and
- (2) either:
 - (i) has been cited as vacant and abandoned on a housing or building violation notice for 1 year; or
 - (ii) has been owned by the Mayor and City Council of Baltimore City for 1 year and is in need of substantial repair to comply with applicable City codes.

(b) *Credit granted.*

In accordance with the provisions of State Tax-Property Article § 9-304(c) , there is hereby granted a tax credit against the Baltimore City real property tax imposed on a vacant dwelling owned and occupied as the principle residence by a qualifying owner.

(c) *Qualifications.*

Owners of vacant dwellings may qualify for the tax credit authorized by this section by:

- (1) substantially rehabilitating the vacant dwelling in compliance with the code and laws applied to dwellings;
- (2) occupying the dwelling after rehabilitation as their principal residence; and
- (3) satisfying other requirements as may be provided in a Resolution of the Board of Estimates.

(d) *Amount of credit.*

A property tax credit granted under this section may not exceed the amount of City property tax imposed on the increased value of the residential real property that is due to the improvements made to the property immediately before the occupancy permit was issued, multiplied by:

- (1) 100% for the 1st taxable year in which the property qualifies for the tax credit;
- (2) 80% for the 2nd taxable year in which the property qualifies for the tax credit;
- (3) 60% for the 3rd taxable year in which the property qualifies for the tax credit;
- (4) 40% for the 4th taxable year in which the property qualifies for the tax credit;

- (5) 20% for the 5th taxable year in which the property qualifies for the tax credit; and
- (6) 0% for each taxable year thereafter.

(e) *Applications.*

- (1) The owner shall file an application for this tax credit with the Director of Finance annually, on or before September 1 of the taxable year for which the credit is sought.
- (2) The application for the tax credit shall contain information that the Board of Estimates considers necessary for determining the eligibility of the applicant.

(f) *Rules and regulations.*

The Board of Estimates may adopt rules and regulations to carry out the provisions of this section.

(g) *Penalties for false statement.*

Any applicant who, for the purpose of obtaining a tax credit under the provisions of this section, makes a false statement on the application shall be guilty of a misdemeanor and shall be fined not more than \$500.

(City Code, 1976/83, art. 28, §75B.) (Ord. 93-234.)

§ 10-4. {Repealed by Ord. 09-217}

§ 10-5. Newly constructed dwellings.

Editor's Note: Ordinance 09-197 reauthorized and extended eligibility for this credit to June 30, 2014. It also established a short, one-time amnesty period for those who previously failed to meet the application deadline. Specifically, Section 2 of the Ordinance provides:

- (a) A one-time amnesty period is provided for owners who:
 - (1) on or after January 1, 2005, were eligible for the tax credit provided under Article 28, § 10-5; but
 - (2) could not receive the credit because they failed to meet the application deadline.
- (b) The amnesty period begins on the effective date of this Ordinance *{i.e., June 30, 2009}* and ends 60 days later, during which time owners who qualify under subsection (a) of this Section 2 may file an application for the credit.
- (c) If granted, the tax credit shall be applied against the owner's property taxes for that taxable year and for the 4 ensuing taxable years in which the property continues to qualify for the tax credit.
- (d) The Director of Finance shall establish procedures necessary and appropriate for implementing the amnesty period.

(a) *Definitions.*

In this section, “newly constructed dwelling” and “owner” have the meanings stated in State Tax-Property Article § 9-304(d).

(b) *Credit granted.*

There is established a property tax credit, as authorized in State Tax-Property Article § 9-304(d), against the property tax imposed on newly constructed dwellings that are owned by qualifying owners.

(c) *Qualifications.*

The owner of a newly constructed dwelling may qualify for the tax credit authorized by this section by:

- (1) purchasing a newly constructed dwelling;
- (2) occupying that dwelling as his or her principal residence;
- (3) filing an application for the credit either:
 - (i) within 90 days after settling on the purchase of the dwelling; or
 - (ii) within 90 days after the owner first receives an assessment on the building;
- (4) for each taxable year for which the credit is sought, filing a state income tax return as a resident of Baltimore City; and
- (5) satisfying all other conditions imposed by the regulations of the Director of Finance.

(d) *Amount of credit.*

A property tax credit granted under this section may not exceed the amount of property tax imposed on the real property, less the amount on any other credit applicable in that year, multiplied by:

- (1) 50% for the 1st taxable year in which the property qualifies for the tax credit;
- (2) 40% for the 2nd taxable year in which the property qualifies for the tax credit;
- (3) 30% for the 3rd taxable year in which the property qualifies for the tax credit;
- (4) 20% for the 4th taxable year in which the property qualifies for the tax credit;
- (5) 10% for the 5th taxable year in which the property qualifies for the tax credit; and
- (6) 0% for each taxable year thereafter.

(e) *Rules and regulations.*

(1) Subject to the approval of the Board of Estimates, the Director of Finance shall adopt regulations to carry out the provisions of this section.

(2) These regulations:

(i) shall include procedures necessary and appropriate for the submission of an application for and the granting of a property tax credit under this section; and

(ii) may include procedures for granting partial credits for eligibility for less than a full taxable year.

(f) *Reporting credits.*

The estimated amount of all tax credits received by owners under this section in any fiscal year:

(1) shall be reported by the Director of Finance of Baltimore City as a “tax expenditure” for that fiscal year; and

(2) shall be included in the publication of the City’s budget for any subsequent fiscal year with the estimated or actual City property tax revenue for the applicable fiscal year.

(g) *Program analysis.*

(1) The Director of Finance shall develop by January 1, 1996, a method, which shall be approved by the Board of Estimates, for analysis of the public costs and benefits of the tax credits.

(2) The method will include development of baseline data to include new residential construction, new housing tenure, and net migration trends in the City.

(3) Measurement of the public costs and benefits of the tax credit will be made against baseline data and will include credit and administrative costs and estimates of benefits from property, income, and transfer tax revenues.

(h) *Annual report of analysis.*

The Director of Finance shall report annually to the Board of Estimates and to the Mayor and City Council the results and findings of that analysis, including the steps taken and proposed to be taken to promote and otherwise further the use of the tax credit program.

(i) *Termination of program.*

(1) After June 30, 2014, additional owners of newly constructed dwellings may not be granted a credit under this section.

- (2) This subsection does not apply to an owner's continuing receipt of a credit as allowed in subsection (d) with respect to a property for which a tax credit under this section was received for a taxable year ending on or before June 30, 2014.

(City Code, 1976/83, art. 28, §75D.) (Ord. 95-464; Ord. 98-283; Ord. 00-097; Ord. 02-400; Ord. 05-057; Ord. 07-441; Ord. 09-197.)

§ 10-6. Home improvements.

(a) *Definitions.*

The definitions for “dwelling” and “homeowner” contained in State Tax-Property Article § 9-304(e) are incorporated into this section by this reference.

(b) *Credit granted.*

There is established a property tax credit, as authorized in State Tax-Property Article § 9-304(e), against the property tax imposed on the increased value of the dwelling that is due to improvements made to the property that is owned by qualifying owners.

(c) *Qualifications — in general.*

- (1) The tax credit granted under the provisions of this section shall be applied against the property tax on a dwelling that:

- (i) is owned by a homeowner;
- (ii) has been substantially improved since the last reassessment; and
- (iii) is reassessed at a higher value.

- (2) The property tax credit may not apply to the value of the improvements to the dwelling that exceed \$100,000.

- (3) To receive the tax credit under this section, the homeowner shall have the burden of showing that the increase in assessment is due to the value of the improvements to the dwelling that were made since the last assessment of the dwelling.

(d) *Qualifications — compliance with Codes.*

- (1) To continue eligibility for a tax credit under this section, a dwelling must remain in compliance with the City Property Maintenance Code.

- (2) If a dwelling owned by a person who has received a tax credit under this section is found to be in violation of the Property Maintenance Code, the property owner is not eligible for any further tax credit under this section until the dwelling is determined again to be in compliance with that Code.

- (3) A dwelling that is again brought into compliance is eligible for a tax credit at the rate it would have been eligible before the violation of the Property Maintenance Code.

- (4) In addition to compliance with the Property Maintenance Code, the homeowner shall comply with all other parts of the Building, Fire, and Related Codes of Baltimore City, including their permit requirements for improvements.

(e) *Amount of credit.*

The tax credit provided under this section shall equal the amount of property tax imposed on the increased value of the dwelling that is due to the improvements made to the property, multiplied by:

- (1) 100% for the 1st taxable year following the 1st reassessment after the improvements are made;
- (2) 80% for the 2nd taxable year following the 1st reassessment after the improvements are made;
- (3) 60% for the 3rd taxable year following the 1st reassessment after the improvements are made;
- (4) 40% for the 4th taxable year following the 1st reassessment after the improvements are made;
- (5) 20% for the 5th taxable year following the 1st reassessment after the improvements are made; and
- (6) 0% for each taxable year thereafter.

(f) *Transfers of property.*

If a dwelling that is eligible for a tax credit under this section is transferred, the grantee is eligible for the balance of the property tax credits under this section in the same manner and under the same conditions as the grantor of the property.

(g) *Rules and regulations; administration.*

The Director of Finance may:

- (1) adopt rules necessary to implement the provisions of this section;
- (2) settle disputed claims that may arise in connection with the credit authorized by this section; and
- (3) delegate powers, duties, or functions in connection with the administration of the credit authorized by this section to the City Collector or any other employee of the City.

(City Code, 1976/83, art. 28, §75E.) (Ord. 94-446; Ord. 02-475; Ord. 07-552.)

§ 10-7. Neighborhood preservation and stabilization demonstration project.(a) *Definition.*

“Project Area” means the neighborhood preservation and stabilization demonstration project area designated by the Mayor in accordance with State Tax-Property Article § 9-326 for participation in a demonstration project for neighborhood preservation and stabilization.

(b) *Credit granted.*

In accordance with § 9-326 of the State Tax-Property Article, a property tax credit is established against the property tax imposed on owner-occupied residential real property that is purchased on or after July 1, 1996, and on or before June 30, 2001, in the area designated as the neighborhood preservation and stabilization demonstration project area.

(c) *Qualifications.*

The tax credit granted under this section applies only if, for the 12-month period immediately prior to purchasing the property, the applicant’s principal residence was neither in the project area nor in the corresponding area of Baltimore County, unless the applicant was not an owner of the property that was the applicant’s principal residence.

(d) *Application deadline.*

To qualify for a tax credit under this section, an individual must apply for the credit:

- (1) within 6 months after title to the property was transferred to the individual; or
- (2) for property purchased before June 1, 1999, on or before December 1, 1999.

(e) *Amount of credit.*

The property tax credit shall equal:

- (1) 40% of the property tax for each of the first 5 taxable years after the purchase of the real property;
 - (2) 35% of the property tax for the 6th taxable year after the purchase of the real property;
 - (3) 30% of the property tax for the 7th taxable year after the purchase of the real property;
 - (4) 25% of the property tax for the 8th taxable year after the purchase of the real property;
 - (5) 20% of the property tax for the 9th taxable year after the purchase of the real property;
 - (6) 15% of the property tax for the 10th taxable year after the purchase of the real property;
- and

(7) 0% of the property tax for each subsequent taxable year.

(f) *When credit first applies.*

The property tax credit shall first apply to the taxable year beginning after the date of the purchase of the eligible real property.

(g) *Director to provide statement of qualification.*

On an annual basis, the Director of Finance shall provide to each individual qualifying for the tax credit under this section a statement certifying qualification for the tax credit and the amount of the tax credit being granted. The statement may be provided on or with the annual property tax bill or in another manner chosen by the Director of Finance.

(h) *Rules and regulations.*

The Director of Finance may adopt rules and regulations to carry out the provisions of this section.

(i) *Penalties for false statement.*

Any person who makes a false statement for the purpose of obtaining a tax credit under this section is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or imprisonment for not more than 6 months, or both.

(City Code, 1976/83, art. 28, §75F.) (Ord. 96-049; Ord. 99-588.)

§ 10-8. Historic restorations and rehabilitations.

(a) *Definitions.*

(1) In this section, the following words have the meanings indicated.

(2) “Eligible improvements” means significant improvements to, or restoration or rehabilitation of, historic properties.

(3) “Significant improvements” means a rehabilitation the total cost of which equals or exceeds 25% of a property’s full cash value prior to rehabilitation as reflected in the assessment records.

(b) *Program goal.*

The goal of this program is to help preserve Baltimore’s neighborhoods by encouraging home and business owners to make special efforts to restore or rehabilitate historic buildings.

(c) *Credit granted.*

In accordance with the provisions of State Tax-Property Article § 9-204.1, there is hereby granted a tax credit against the Baltimore City real property tax imposed on eligible improvements to historic properties.

(d) *Amount of credit.*

- (1) Subject to the limitations imposed by paragraph (2) of this subsection and by subsection (g) of this section, the property tax credit granted under this section shall equal the difference between:
 - (i) the property tax that, but for the tax credit, would be payable after the completion of the eligible improvements; and
 - (ii) the property tax that would be payable if the eligible improvements were not made.
- (2) The credit calculated under paragraph (1) of this subsection shall be reduced by the amount of the credit, if any, for which the property is eligible under the Maryland Enterprise Zone Tax Credit Program.

(e) *Additional requirements.*

A property tax credit granted under this section shall:

- (1) be subject to eligibility requirements no less stringent than those applicable to credits authorized under State Tax-Property Article § 9-204;
- (2) be for a period of 10 years for each property, starting with the next assessment beginning after restoration is completed;
- (3) apply to eligible improvements which:
 - (i) are located within the boundaries of:
 - (A) a property listed individually on the National Register of Historic Places, or a National Register Historic or Landmark District; or
 - (B) a property or district designated as an historic property or district under City law; and
 - (ii) have been determined by the Commission for Historical and Architectural Preservation to be compatible with local historic preservation standards, and have been approved by the Commission prior to work beginning;
 - (iii) may include documented costs for interior rehabilitation;
- (4) be fully transferrable to a new owner for the remaining life of the credit; and
- (5) terminate if the property is converted so as not to meet established historic preservation standards during the credit period.

(f) *Continuing eligibility.*

The property owner shall:

- (1) maintain the major historic features of the property;
- (2) ensure that the property for which the credit was granted is in full compliance with the Building, Fire, and Related Codes of Baltimore City; and
- (3) submit all statements required by subsection (g)(3) of this section.

(g) *Projects exceeding \$3.5 million in development costs.*

(1) For development projects exceeding \$3.5 million in construction costs, the tax credit shall be limited to the following percentages of the amount computed under subsection (d) of this section:

- (i) in years 1 through 5 - 80%
- (ii) in year 6 - 70%
- (iii) in year 7 - 60%
- (iv) in year 8 - 50%
- (v) in year 9 - 40%
- (vi) in year 10 - 30%.

(2) To be eligible for this limited tax credit:

(i) the developer must:

(A) submit all documents requested by the Director; and

(B) submit documentation reviewed by the developer with the State Department of Assessments and Taxation to support a preliminary estimate of value for tax purposes based on construction costs and projected income; and

(ii) either:

(A) the existing building in question must have been at least 75% vacant for at least 3 years; or

(B) the developer must otherwise demonstrate to the Director of Finance that the credit is necessary in order for the project to proceed.

- (3) At the time of application for the credit, the developer must submit a statement of projected economic impact and public benefits for the project. 3 years from the date an application is accepted, the developer must submit statements of actual economic impact and public benefits for the project. Public benefit measures include neighborhood revitalization impact, job creation, tax generation, and minority business development.
- (4) If the property is located in a Maryland Enterprise Zone, the credit under this section may be taken only for those parts of the property that have been rejected as ineligible for the enterprise zone tax credit.

(h) *Eligible areas.*

Eligible areas include Baltimore City Historic Districts, Baltimore City Historic Landmarks, National Register Historic Districts, and National Register Historic Landmarks.

(i) *No tax subsidy duplication allowed.*

Except for the Maryland State Enterprise Zone Tax Credit Program, the historic property tax credit does not apply to any property for which any other tax subsidy from the City, whether in the form of a tax credit, payment in lieu of taxes, or otherwise, is being received or has been applied for.

(j) *Application.*

- (1) The owner shall file an application for this tax credit with the Commission for Historical and Architectural Preservation and pay the application fee as set by the Board of Estimates. If the property is transferred, the new owner shall file an application in order to continue the credit.
- (2) The application for the tax credit shall contain information, including identification of major historic features, that the Commission for Historical and Architectural Preservation considers necessary for determining the eligibility of the applicant.
- (3) The application shall include evidence of use and occupancy in the case of previously vacant properties.

(k) *Administration.*

The Director of Finance may:

- (1) adopt rules and regulations to implement the provisions of this section;
- (2) settle disputed claims that may arise in connection with the credit authorized by this section; and
- (3) delegate powers, duties or functions in connection with the administration of the credit authorized by this section to the City Collector or any other employee of the City.

(l) *Review.*

- (1) The Commission for Historical and Architectural Preservation, in coordination with the Department of Finance, shall establish review procedures for the program.
- (2) The Department of Finance shall analyze data submitted by developers in the statements required by subsection (g)(3) of this section.

(m) *Termination of program.*

Applications for the credit may not be accepted after February 28, 2014.

(City Code, 1976/83, art. 28, §75G.) (Ord. 95-668; Ord. 97-183; Ord. 99-416; Ord. 00-103; Ord. 02-475; Ord. 06-184; Ord. 07-439; Ord. 07-552; Ord. 09-140.)

§ 10-9. Newly constructed market-rate rental housing.(a) *Definitions.*

- (1) In this section, the following words have the meanings indicated.
- (2) “Market-rate rental housing project” means a multifamily dwelling containing 5 or more units in which none of the units are subject to government restrictions on the amount of rent charged or the income level of the tenant.
- (3) “Newly constructed” means:
 - (i) newly erected on a vacant lot;
 - (ii) converted from non-residential use, provided the conversion/ construction costs exceed \$60,000 per unit; or
 - (iii) substantially rehabilitated, provided the structure was a dwelling identified by the Commissioner of Housing, through issuance of a “vacant house notice” or otherwise, as having been vacant and unfit for human habitation for a period of at least 1 year prior to issuance of a construction permit for the project, and provided the rehabilitation/construction costs exceed \$60,000 per unit;

for which, in each case, a first occupancy permit following construction is issued after January 1, 1996.

(b) *Credit granted.*

In accordance with the provisions of State Tax-Property Article § 9-304(f), there is established a tax credit against the Baltimore City real property tax imposed on newly constructed market-rate rental housing projects.

(c) *Amount of credit.*

The amount of a property tax credit granted under this section shall be the amount of City real property tax imposed on a market-rate rental housing project, less the amount of any other credit applicable in that year, multiplied by:

- (1) 50% for the 1st taxable year in which the property qualifies for the tax credit;
- (2) 40% for the 2nd taxable year in which the property qualifies for the tax credit;
- (3) 30% for the 3rd taxable year in which the property qualifies for the tax credit;
- (4) 20% for the 4th taxable year in which the property qualifies for the tax credit;
- (5) 10% for the 5th taxable year in which the property qualifies for the tax credit; and
- (6) 0% for each taxable year thereafter.

(d) *When credit first applies.*

A newly constructed market-rate rental housing project qualifies for a tax credit under this section when an occupancy permit is first issued for the project following construction.

(e) *Deadline for qualification.*

A newly constructed market-rate rental housing project with an occupancy permit issued after June 30, 2001 shall not qualify for a tax credit under this section.

(f) *Application for credit.*

- (1) The owner of a newly constructed market-rate rental housing project shall file an application for a tax credit under this section with the Director of Finance on or before September 1 of the 1st taxable year in which the property qualifies and shall file an application annually thereafter for each year in which the credit is sought.
- (2) The application shall contain all information that the Director of Finance considers necessary for determining the eligibility of the applicant.

(g) *Rules and regulations.*

The Director of Finance may adopt rules and regulations to implement the provisions of this section.

(h) *Report to Board of Estimates.*

- (1) The Director of Finance shall analyze the public costs and benefits of the credits granted under this section and shall report annually the findings of the analysis to the Board of Estimates.

(2) The method of analysis developed by the Director of Finance shall be approved by the Board of Estimates prior to its use.

(City Code, 1976/83, art. 28, §75H.) (Ord. 95-680.)

§ 10-10. Brownfields.

(a) *Definitions.*

(1) In this section, the following words have the meanings indicated.

(2) “Brownfields Incentive Fund” means the Brownfields Revitalization Incentive Fund established under Article 83A, § 3-904 of the Maryland Code.

(2) “Brownfields Incentive Program” means the Brownfields Revitalization Incentive Program established under Article 83A, Title 3, Subtitle 9 of the Maryland Code.

(3) “Brownfields site” means a qualified Brownfields site, as defined in Article 83A, § 3-901(d) of the Maryland Code.

(4) “Increased property tax liability” means the remaining property tax liability, after first applying all other property tax credits applicable to the site, attributable to the increase in the assessment of a Brownfields site, including improvements added to the site within the tax-credit period provided for in this section, over the assessment of the Brownfields site before its voluntary cleanup

(b) *Election to participate in Program.*

Pursuant to § 9-229 of the State Tax-Property Article, the City of Baltimore elects to participate in the Brownfields Incentive Program and to provide the tax credits authorized by this section.

(c) *Tax-credit period.*

The credit granted by this section applies in each of the taxable years immediately following the 1st revaluation of the Brownfields site after completion of a voluntary cleanup or corrective action plan, for a total of:

(1) 5 taxable years; or

(2) if the site is in a designated State Enterprise Zone, 10 taxable years.

(d) *Basic 50% credit.*

The amount of the tax credit is 50% of the Brownfields site’s increased property tax liability.

(e) *Additional 20% in credits for certain sites.*

An additional credit of 20% of a Brownfields site’s increased property tax liability shall be granted if the aggregate cost of the site’s purchase and the voluntary cleanup or corrective action plan efforts equals or exceeds \$250,000.

(f) *Contribution to Incentive Fund.*

For each year of the tax-credit period specified in subsection (c) of this section, the City shall contribute to the Brownfields Incentive Fund an amount equal to 30% of a Brownfields site's increased property tax liability.

(g) *Credits transferability.*

The credits provided for in subsections (d) and (e) of this section may be transferred to a purchaser of the property for the remaining term of the credit.

(h) *Termination of credit.*

The tax credit granted under this section terminates if:

- (1) the recipient of the credit withdraws from the voluntary cleanup program under § 7-512(a) or (b) of the Environment Article;
- (2) the Department of the Environment withdraws approval of a response action plan or a certificate of completion under § 7-512(e) and (f) of the Environment Article; or
- (3) the recipient of the credit otherwise ceases to qualify for the credit under this section or the rules and regulations adopted under this section.

(i) *Application for credit.*

- (1) An application for a tax credit under this section must be filed in the 1st taxable year in which the property qualifies.
- (2) The application must be made on the form and contain the information that the Director of Finance specifies.
- (3) Before a credit may be granted, the applicant must provide satisfactory evidence of:
 - (i) completion of a voluntary cleanup or corrective action plan approved by the State Department of the Environment; and
 - (ii) for the additional credit provided under subsection (e) of this section, the cost of the site's purchase and of the voluntary cleanup or corrective action plan.

(j) *Administration.*

The Director of Finance may:

- (1) adopt rules and regulations to carry out the provisions of this section;
- (2) settle any disputed claims arising in connection with the credit authorized by this section;
and

- (3) delegate his or her powers and duties to administer this section to any employee or agency of the City.

(City Code, 1976/83, art. 28, §75I.) (Ord. 98-248.)

§ 10-11. South Baltimore Little League.

- (a) *Rules and regulations.*

The Director of Finance may adopt rules and regulations to carry out this section.

- (b) *Credit granted.*

- (1) A tax credit is granted against the City property tax imposed on the property located at 1101 E. Fort Avenue.

- (2) The tax credit applies only as long as the property is owned by the South Baltimore Little League and used by the League for amateur sports.

- (3) The amount of the tax credit equals 100% of the City property tax imposed on the property.

(City Code, 1976/83, art. 28, §75J.) (Ord. 98-282.)

§ 10-12. Northwest Family Sport Center.

- (a) *Rules and regulations.*

The Director of Finance may adopt rules and regulations to carry out this section.

- (b) *Credit granted.*

- (1) A tax credit is granted against the City property tax imposed on the personal property owned by the Northwest Family Sport Center, Inc.

- (2) The amount of the tax credit equals 100% of the City property tax imposed on the Center's personal property.

(City Code, 1976/83, art. 28, §75K.) (Ord. 98-284.)

§ 10-13. Telecommunications renovations.

- (a) *Definitions.*

- (1) *In general.*

In this section, the following terms have the meanings indicated.

- (2) *Eligible area.*

“Eligible area” means any area that is eligible for designation as an eligible neighborhood under Article 83B, §§ 4-201 through 4-208 of the Maryland Code.

(3) *Qualifying renovations.*

“Qualifying renovations” means infrastructure renovations to accommodate advanced computer and telecommunications systems, including the installation of fiber-optic cable, emergency electrical capacity, emergency back-up power, fiber-optic risers, internal/external network cabling, information outlets, and other specialized equipment.

(4) *State-of-the-art communications and utility standards.*

“State-of-the-art communications and utility standards” means the communication and utility standards published by the Electrical Industry Association and the Telecommunications Industry Association as EIA/TIA Standard 568, generally referred to as “Class 5” Installations.

(b) *Tax credit authorized.*

A real property tax credit is granted against the City property tax imposed on a commercial (including commercial-residential) building:

- (1) that is in an eligible area; and
- (2) to which qualifying renovations have been made to meet state-of-the-art communications and utility standards.

(c) *Amount of credit.*

The tax credit granted under this section for any 1 taxable year shall equal 7.5% of the cost of qualifying renovations, subject to a maximum cumulative credit of \$750,000 for the 10-year credit period. The credit shall be applied only to that part of the taxes due that exceed the tax calculated on the fully phased-in pre-improvement value of the property.

(d) *Commencement and duration of credit.*

- (1) A tax credit may be granted under this section only for 10 years or until the maximum credit amount of \$750,000 is reached, whichever is first.
- (2) The 10-year credit period begins after:
 - (i) the qualifying renovations have been completed;
 - (ii) the Building Official gives final approval to the project; and
 - (iii) the State Department of Assessments and Taxation completes an assessment review.
- (3) The credit will be first applied to the tax bill generated after the State Department of Assessments and Taxation has issued a revised assessment notice on a part- or full-year basis.

(e) *No tax subsidy duplication allowed.*

The credit authorized by this section does not apply to any property for which any other tax subsidy from the City, whether in the form of a tax credit, payment in lieu of taxes, or otherwise, is being received or has been applied for.

(f) *Application.*

- (1) The person responsible for paying property taxes should file an initial application for the credit concurrently with the application for building permits for the renovation work. In no event, however, may any application for a credit be accepted after a building permit is issued. The application shall estimate the costs of the proposed qualifying renovations, separately from all other costs.
- (2) Before renovations begin, the applicant must file renovation plans with the City Building Official and obtain preliminary approval that the plans meet state-of-the-art communication and utility standards.
- (3) During construction and on completion of the renovations, the applicant must obtain certification from the Building Official that the renovations conform to the approved plans.
- (4) On completion of the renovations, the applicant must provide documented evidence of the costs of the qualifying renovations.

(g) *Continuing eligibility requirements.*

The use of the credit in any year is conditioned on the taxpayer's:

- (1) maintaining the property in compliance with all City housing, building, health, fire, and other applicable City Code requirements; and
- (2) remaining current on all payments due to the City.

(h) *Administration.*

(1) The Director of Finance may:

- (i) adopt rules and regulations to carry out this section;
- (ii) settle disputed claims that may arise in connection with the credit authorized by this section; and
- (iii) delegate powers, duties, or functions in connection with the administration of this credit to the City Collector or any other City employee.

(2) The Director of Finance shall report the estimated cost of all tax credits granted under this section in any fiscal year as a tax expenditure for that fiscal year and shall include that cost in the Ordinance of Estimates for that fiscal year.

(City Code, 1976/83, art. 28, §75L.) (Ord. 98-350; Ord. 02-475.)

§ 10-14. Arts and entertainment districts.(a) *Definitions.*(1) *In general.*

In this section, the following terms have the meanings indicated.

(2) *Arts and entertainment district.*

“Arts and entertainment district” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(3) *Arts and entertainment enterprise.*

“Arts and entertainment enterprise” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(4) *Director.*

“Director” means the Director of Finance or designee.

(5) *Eligible assessment.*

“Eligible assessment” means the phased-in value, as applied by the State Department of Assessments and Taxation in the 1st, 2nd, or 3rd year in a 3-year cycle under State Tax-Property Article § 8-103, attributable to the qualifying renovations, as determined by the State Department of Assessments and Taxation.

(6) *Qualifying renovations.*

“Qualifying renovations” means renovations that are made:

(1) to a manufacturing, commercial, or industrial building located in a State-designated arts and entertainment district; and

(2) for use by a qualifying residing artist or an arts and entertainment enterprise.

(7) *Qualifying residing artist.*

“Qualifying residing artist” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(b) *Credit granted.*

(1) In accordance with State Tax-Property Article § 9-240, a real property tax credit is granted against the City property tax imposed on a manufacturing, commercial, or industrial building that:

- (i) is located in a State-designated arts and entertainment district; and
 - (i) is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.
- (2) The credit is prorated to reflect the proportion of the building used by a qualifying residing artist or an arts and entertainment enterprise.

(c) *Term of credit.*

A tax credit may be taken under this section for up to 10 years, as provided in subsection (d) of this section, subject to compliance with the continuing eligibility requirements of subsection (j) of this section.

(d) *Amount of credit.*

- (1) Except for properties eligible for a Maryland Enterprise Zone Tax Credit, the amount of the credit granted under this section is the amount of property tax imposed on the eligible assessment of the property, multiplied by:
- (i) 80% for the first 5 taxable years;
 - (ii) 70% for the 6th taxable year;
 - (iii) 60% for the 7th taxable year;
 - (iv) 50% for the 8th taxable year;
 - (v) 40% for the 9th taxable year;
 - (vi) 30% for the 10th taxable year; and
 - (vii) 0% for each subsequent taxable year.
- (2) For properties eligible for a Maryland Enterprise Zone Tax Credit, the amount of the credit granted under this section is the amount of property tax imposed on the eligible assessment of the property, multiplied by:
- (i) 20% for the first 5 taxable years;
 - (ii) 30% for the 6th taxable year;
 - (iii) 40% for the 7th taxable year;
 - (iv) 50% for the 8th taxable year;
 - (v) 60% for the 9th taxable year;

(vi) 70% for the 10th taxable year; and

(vii) 0% for each subsequent taxable year.

(e) *First year of credit.*

The credit period begins after the first reassessment of the property by the State after the completion of qualifying renovations. The credit will first be applied to the tax bill generated after the State has issued a revised assessment notice, on a part- or full-year basis.

(f) *Deadline for qualification.*

Improvements made before July 1, 2002, do not qualify for a tax credit under this section.

(g) *Credit transferability.*

The tax credit granted by this section may be transferred to a purchaser of the property for the remaining term of the credit, subject to compliance with the continuing eligibility requirements of subsection (j) of this section.

(h) *Application for credit.*

The property owner must apply to the Director for a tax credit under this section within 90 days of receipt of an assessment notice reflecting the eligible assessment.

(i) *No tax subsidy duplication allowed.*

The credit granted under this section does not apply to any property for which any other tax subsidy from the City, other than a Maryland Enterprise Zone Tax Credit, is being received or has been applied for, whether in the form of a tax credit, payment in lieu of taxes, or otherwise.

(j) *Continuing eligibility requirements.*

The use of the credit in any year is conditioned on:

- (1) the property's compliance with all City housing, building, health, fire, and other applicable code requirements;
- (2) the taxpayer's remaining current on all payments due to the City;
- (3) the continued use of the property or eligible portion of the property by a qualifying residing artist or an arts and entertainment enterprise; and
- (4) the taxpayer's providing to the Director an annual certification of that continued use.

(k) *Administration.*

The Director may:

- (1) adopt rules and regulations to implement the provisions of this section;
- (2) settle disputed claims that may arise in connection with the credit authorized by this section; and
- (3) delegate powers, duties, or functions in connection with the administration of the credit authorized by this section to any employee of the City.

(1) *Program termination.*

Applications for property in an arts and entertainment district will not be accepted after the 10th year from the date the arts and entertainment district was designated by the State.

(Ord. 02-462.)

§ 10-15. “Fallen Heroes”.

(a) *Definitions.*

(1) *In general.*

In this section, the following terms have the meanings indicated.

(2) *Director.*

“Director” means the Director of Finance or designee.

(3) *Dwelling.*

- (i) “Dwelling” means real property that is occupied by not more than 2 families.
- (ii) “Dwelling” includes the lot or curtilage and structures necessary to use the real property as a residence.

(4) *Fallen hero.*

- (i) “Fallen hero” means, except as specified in subparagraph (ii) of this paragraph, any individual who dies:
 1. as a result of or in the course of employment as a Baltimore City law enforcement officer; or
 2. while in the active service of a Baltimore City fire, rescue, or emergency-medical service.
- (ii) “Fallen hero” does not include any individual whose death was the result of his or her willful misconduct or his or her abuse of alcohol or drugs.

(b) *Credit granted.*

A real property tax credit is granted against the City property tax imposed on a dwelling if:

- (1) the dwelling is owned by the surviving spouse of a fallen hero;
- (2) the dwelling is the surviving spouse's legal residence;
- (3) the surviving spouse has not remarried; and
- (4) either:
 - (i) the dwelling was owned by the fallen hero at the time of his or her death;
 - (ii) the fallen hero or the surviving spouse was domiciled in the State at the time the fallen hero died and the dwelling was acquired by the surviving spouse within 2 years of the death; or
 - (iii) the dwelling was acquired after the surviving spouse qualified for a credit under item (4)(i) or (ii) of this subsection for a former dwelling, to the extent of the previous credit.

(c) *Term of credit.*

The credit granted under this section continues from year to year, without further application by the surviving spouse.

(d) *Amount of credit.*

The amount of the credit granted under this section is 100% of the City property tax imposed on the dwelling.

(e) *Administration.*

The Director may:

- (1) adopt rules and regulations to carry out this section;
- (2) settle disputed claims that arise in connection with the credit granted by this section; and
- (3) delegate powers, duties, or functions in connection with the administration of the credit to any employee of the City.

(Ord. 04-664.)

§ 10-16. Targeted Homeowner's Tax Credit.*(a) Credit granted.*

In accordance with State Tax-Property Article § 9-221, a Targeted Homeowner's Tax Credit is granted against the City property tax imposed on owner-occupied property that has qualified for the Homestead Tax Credit under State Property-Tax Article § 9-105.

(b) Scope.

- (1) The credit is calculated by multiplying credit rate by the assessed value of the improved portion of the property.
- (2) The credit shall be granted annually on the initial July tax bill. No partial year credits may be granted.
- (3) A homeowner is entitled to the credit granted under this section regardless of the amount of the Homestead Tax Credit to which the homeowner is entitled.

(c) Rate and amount of credit.

- (1) The rate of the credit for each tax year shall be set by the Board of Estimates on or before the date on which the Board of Estimates states the rate for the levy of full rate property taxes in that tax year.
- (2) A property tax credit granted under this section, when combined with other tax credits, may not exceed the amount of property tax imposed on the property.

(d) Rules and regulations; administration.

- (1) The Director of Finance shall adopt rules and regulations necessary or appropriate to carry out the provisions of this section.
- (2) The Director of Finance may:
 - (i) settle disputed claims that arise in connection with the credit authorized by this section; and
 - (ii) delegate his or her powers or duties to administer this section to any agency or employee of the City.

(Ord. 12-009.)

SUBTITLE 11
{RESERVED}

SUBTITLE 12
PAYMENTS IN LIEU OF TAXES: HOTEL FACILITIES IN URBAN RENEWAL AREAS

§ 12-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *City-owned property.*

“City-owned property” means any ownership interest held by the City in the applicable real property, including legal title to the property, whether in fee or as a leasehold interest, whether or not subject to a ground lease, and whether now owned or later acquired by the City.

(c) *Enabling Law.*

“Enabling Law” means § 7-501 of the State Tax-Property Article.

(d) *Hotel facilities.*

(1) *In general.*

“Hotel facilities” means any land and improvements thereon, or a portion thereof, that:

- (i) is to be constructed for the use and operation as a hotel for short-term guest rentals; and
- (ii) has a minimum investment of \$50,000,000 of private capital.

(2) *Inclusions.*

“Hotel facilities” includes related meeting facilities, banquet facilities, dining facilities, associated public or private parking facilities, and other related service facilities.

(3) *Exclusions.*

“Hotel facilities” does not include any City-owned property that is used, in whole or part, for the conduct of gaming or gambling activities.

(e) *PILOT.*

“PILOT” means negotiated payments in lieu of taxes, as authorized by the Enabling Law.

(f) *PILOT Agreement.*

“PILOT Agreement” means an agreement providing for negotiated payments in lieu of taxes, as authorized by this subtitle.

(Ord. 98-253.)

§ 12-2. Findings and determinations.

The Mayor and City Council finds and determines that:

- (1) there is a need for additional hotel facilities in the urban renewal areas of the City to provide a positive atmosphere for the tourism and convention businesses; and
- (2) the authorization of a PILOT in connection with any lease of City-owned property entered into on or after January 1, 1998, for hotel facilities in an urban renewal area will substantially aid in achieving and encouraging economic development in the City.

(Ord. 98-253.)

§ 12-3. PILOTs authorized.

(a) *In general.*

Acting pursuant to the Enabling Law, the City is authorized to exempt from municipal taxation hotel facilities:

- (1) that are on City-owned property within any urban renewal area; and
- (2) that, on or after January 1, 1998, are leased or otherwise made available to any person:
 - (i) who uses the property in connection with a business that is conducted for profit; and
 - (ii) who is authorized to accept a PILOT in accordance with the terms and conditions of a PILOT Agreement.

(b) *Inclusion in assessable base.*

Provided, however, that the assessment of these hotel facilities shall be included in the assessable base of the City to determine the amount of any State of Maryland aid that is based on the assessable base of the City.

(Ord. 98-253.)

§ 12-4. PILOT Agreements authorized.

(a) *In general.*

The City is authorized to negotiate a PILOT Agreement in connection with any lease after January 1, 1998, of any City-owned property within any urban renewal area for use as hotel facilities.

(b) *Limitations.*

- (1) However, the economic terms to be incorporated into any PILOT Agreement must be approved by an Ordinance of the Mayor and City Council before the Board of Estimates gives final approval to the PILOT Agreement.

(2) Each PILOT Agreement:

- (i) shall conform to the economic terms approved by an Ordinance of the Mayor and City Council; and
- (ii) shall contain any additional terms that the Board of Estimates deems reasonably necessary to accomplish the purposes of this subtitle, taking into account the specific needs of the particular hotel facility.

(3) All PILOT Agreements executed pursuant to this subtitle must provide that the PILOT Agreement will terminate immediately if the property is no longer used as a hotel facility.
(*Ord. 98-253.*)

§ 12-5. Board of Estimates to set final terms.

The final terms of any PILOT Agreement or disposition agreement affecting any hotel facility and the final forms of all documents drafted in connection with it, are subject to the approval of the Board of Estimates.
(*Ord. 98-253.*)

SUBTITLES 13 TO 15
{RESERVED}

DIVISION III: OTHER TAXES**SUBTITLE 16
RECORDATION TAX**

Editor's Note: Ordinance 04-727 amended § 16-1 to increase the tax rate and added a new § 16-2. Section 3 of Ord. 04-727 provides that the Ordinance “takes effect on September 1, 2004, as to any instrument conveying title or securing a debt that contains a notary acknowledgment dated on or after September 1, 2004, and is presented for recordation on or after September 1, 2004.”

§ 16-1. Tax imposed.

Pursuant to State Tax-Property Article § 12-103(b), the rate of tax applicable to instruments recorded with the Clerk of the Circuit Court for Baltimore City is:

- (1) in the case of instruments conveying title to property, \$5 for each \$500 or fractional part of \$500 of the actual consideration paid or to be paid; and
- (2) in the case of instruments securing a debt, \$5 for each \$500 or fractional part of \$500 of the principal amount of the debt secured.

(City Code, 1976/83, art. 28, §69.) (Ord. 68-145; Ord. 82-752; Ord. 85-389; Ord. 04-727.)

§ 16-2. Partial exemption for owner-occupied residence.*(a) In general.*

The tax imposed by this subtitle does not apply to the first \$22,000 of the consideration payable on the conveyance of owner-occupied residential property if the instrument in writing is accompanied by a statement, signed under oath by the buyer, that the buyer will use the property as the buyer's principal residence by actually occupying the property for at least 7 months of the 12-month period immediately following the conveyance.

(b) Application.

- (1) Except as specified in paragraph (2) of this subsection, the buyer shall receive the entire exemption provided by this section, irrespective of (i) any contractual provisions concerning the division of taxes between the buyer and the seller and (ii) the presumption under State Real Property Article § 14-104(b) {“Division of ... Tax: Presumption”}.
- (2) The seller shall receive the entire exemption provided by this section if (i) the seller has agreed by contract to pay the entire amount of the tax imposed by this subtitle or (ii) the seller is responsible for paying the entire amount of the tax under State Real Property Article § 14-104(c) {“Division of ... Tax: First-time Maryland Home-buyers”}.

(Ord. 04-727; Ord. 04-891.)

SUBTITLE 17
TRANSFER TAX

§ 17-1. Definitions.

(a) *In general.*

As used herein, the following definitions shall apply.

(b) *Estate.*

(1) “Estate” means real property and chattels real of every description, including, but not limited to, fee simple estate, leasehold estate, limited estate, and legal and equitable interests in real property.

(2) But the term “estate” specifically does not include land installment contracts, such a contract for the purposes of this subtitle being defined as a legally binding executory agreement under which:

(i) the vendor agrees to sell an interest in property to the vendee and the vendee agrees to pay the purchase price in 5 or more subsequent payments exclusive of any down payment; and

(ii) the vendor retains title as security for the vendee’s obligation.

(c) *Estate of inheritance.*

“Estate of inheritance” means any estate which may descend to heirs, otherwise known as an estate in fee simple.

(d) *Mortgage.*

The term “mortgage” as used in this subtitle, shall include deeds of trust made to secure the repayment of indebtedness.

(e) *Transfer.*

“Transfer” means the acts of the parties, or of the law, by which the title to any estate of inheritance or freehold, or any declaration or limitation of use, or any estate above 7 years, is conveyed from 1 person to another.

(City Code, 1966, art. 28, §122(h); 1976/83, art. 28, §68(h).) (Ord. 63-048; Ord. 66-792; Ord. 67-926; Ord. 67-992; Ord. 67-1052; Ord. 67-1102; Ord. 69-511; Ord. 72-089; Ord. 75-807; Ord. 76-141; Ord. 76-151; Ord. 81-367.)

§ 17-2. Tax imposed — in general.(a) *In general.*

- (1) A tax is hereby levied and imposed upon the transfer of any estate of inheritance or freehold, of any declaration or limitation of use, or any estate above 7 years, in Baltimore City, at the rate of 1½% of the taxable basis thereof, as hereinafter defined.
- (2) Except that the tax levied and imposed hereunder shall not apply to any lease or sublease for an initial term of not more than 7 years which contains any provisions for renewal for 1 or more succeeding stated terms of not more than 7 years each, if under such provision for renewal the right to effect or prevent each such renewal term shall be optional with either the landlord or the tenant.

(b) *When payable.*

Said tax shall be payable before the written instrument intending to effect such transfer shall be offered to the Clerk of the Circuit Court for Baltimore City for recordation.

(c) *How payable; receipt.*

- (1) The payment of the tax levied and imposed hereunder:
 - (i) shall be made to the Director of Finance of Baltimore City, at a place designated by the said Director of Finance; and
 - (ii) shall be evidenced by the affixing of an official receipt upon such written instrument by the Director of Finance or his authorized representative.
- (2) Such receipt shall be in such form as may be designated by the Director of Finance.

(d) *Partial exemption for owner-occupied residence.*

Editor's Note: Ordinance 06-312 added this subsection (d). Section 3 of Ord. 06-312 provides that it "takes effect July 1, 2007, as to any instrument conveying title or securing a debt that contains a notary acknowledgment dated on or after July 1, 2007, and is presented for recordation on or after July 1, 2007."

(1) *In general.*

The tax imposed by this subtitle does not apply to the first \$22,000 of the consideration payable on the conveyance of owner-occupied residential property if:

- (i) the total consideration payable on the conveyance is less than \$250,000; and
- (ii) the instrument in writing is accompanied by a statement, signed under oath by the buyer, that the buyer will use the property as the buyer's principal residence by actually occupying the property for at least 7 months of the 12-month period immediately following the conveyance.

(2) *Application.*

- (i) Except as specified in subparagraph (ii) of this paragraph, the buyer shall receive the entire exemption provided by this subsection (d), irrespective of (A) any contractual provisions concerning the division of taxes between the buyer and the seller and (B) the presumption under State Real Property Article § 14-104(b) {"Division of ... Tax: Presumption"}.
- (ii) The seller shall receive the entire exemption provided by this subsection (d) if (A) the seller has agreed by contract to pay the entire amount of the tax imposed by this subtitle or (B) the seller is responsible for paying the entire amount of the tax under State Real Property Article § 14-104(c) {"Division of ... Tax: First-time Maryland Home-buyers"}.

(City Code, 1966, art. 28, §122(a); 1976/83, art. 28, §68(a)(1st par.)) (Ord. 63-048; Ord. 67-926; Ord. 67-992; Ord. 67-1052; Ord. 67-1102; Ord. 69-511; Ord. 72-089; Ord. 75-807; Ord. 76-141; Ord. 76-151; Ord. 81-367; 06-312.)

§ 17-3. Tax imposed — corporate transfers.(a) *In general.*

A tax is hereby levied and imposed upon the transfer of real property affected by filing of articles of sale, lease, exchange, or other transfer of all or substantially all the property and assets of a corporation with respect to the property subject to the certificate required under State Corporations and Associations Article § 3-112, at the rate of 1½% of the taxable basis thereof, as hereinafter defined.

(b) *When and how payable.*

- (1) The tax shall be payable pursuant to the provisions of State Tax-Property Article § 13-404.
- (2) No written instrument evidencing the transfer of property taxable hereunder shall be received for recording in Baltimore City until the original of the articles of sale, lease, exchange or other transfer shall have been exhibited to the Clerk of the Circuit Court for Baltimore City showing that the tax herein levied and imposed has been paid to the State and, if any additional tax is payable on the written instrument, it has been paid.

(City Code, 1976/83, art. 28, §68(a)(2.)) (Ord. 67-926; Ord. 67-992; Ord. 67-1052; Ord. 67-1102; Ord. 69-511; Ord. 72-089; Ord. 75-807; Ord. 76-141; Ord. 76-151; Ord. 81-367.)

§ 17-4. Tax imposed — other instruments.(a) *In general.*

No attornment agreement, memorandum of lease, assignment of lease, or other instrument (referred to collectively herein as "other instrument") intended to publicize or giving or intended to give constructive notice of the existence of a lease which has not been recorded but which is taxable hereunder, whether or not such other instrument gives such constructive notice in point of law, shall be received for recording until the original lease shall have been exhibited to the clerk and the tax paid thereon, in addition to whatever tax may be payable on such other instrument.

(b) *Scope.*

Nothing in this section shall be taken to apply to any lease not taxable under § 17-1 of this subtitle.

(City Code, 1976/83, art. 28, §68(a)(1).) (Ord. 67-926; Ord. 67-992; Ord. 67-1052; Ord. 67-1102; Ord. 69-511; Ord. 72-089; Ord. 75-807; Ord. 76-141; Ord. 76-151; Ord. 81-367.)

§ 17-5. Taxable basis.(a) *“Taxable basis” defined.*

Except as otherwise provided in this section, “taxable basis” means the cash consideration and the value of any other consideration paid or agreed to be paid for the property transferred, including the amount of any liens or encumbrances on the property other than current property taxes and other municipal charges.

(b) *Documentation.*

- (1) The cash consideration plus the value of any other consideration paid or agreed to be paid for the property, including the amount of liens or encumbrances on the property, shall be stated in a written affidavit, made on personal knowledge of the affiant and under penalties of perjury, on forms to be furnished by the Director of Finance.
- (2) The Director of Finance may not accept the affidavit unless it is accompanied by written proof of the purchase price for the property. This proof shall include a copy of the settlement sheet, contract of sale, or other document the Director of Finance finds adequate.
- (3) The affidavit and accompanying documents shall be filed with the Director of Finance at the time that the tax is paid.

(c) *Consideration other than cash, etc. — in general.*

If any part of the consideration paid or agreed to be paid for the property consists of anything other than (i) cash paid or agreed to be paid or (ii) the amount of liens or encumbrances on the property, “taxable basis” means the greater of:

- (1) the consideration stated in accordance with subsections (a) and (b) of this section; or
- (2) the full cash value of the property, as most recently determined by the State Department of Assessments and Taxation.

(d) *Consideration other than cash, etc.— transfer of ground rent.*

For a transfer of a perpetually renewable ground rent, if any part of the consideration paid or agreed to be paid consists of anything other than (i) cash paid or agreed to be paid or (ii) the amount of liens or encumbrances, “taxable basis” means the greater of:

- (1) the consideration stated in accordance with subsections (a) and (b) of this section; or

(2) either:

- (i) the redemption value of the ground rent, if redeemable; or
- (ii) if irredeemable, the capitalization at 5% of the ground rent.

(e) *Leases not perpetually renewable.*

- (1) For a lease for a term above 7 years, not perpetually renewable, “taxable basis” means the capitalization at 10% of the average annual base rental for the property over the entire term of the lease, including all renewal terms, plus the cash consideration and the value of any other consideration paid or agreed to be paid, other than the base rent.
- (2) If the average annual rental cannot be determined at the time of recording the lease or the attornment agreement, memorandum of lease, assignment of lease, or other instrument intended to give notice of the lease, or if any part of the consideration paid or agreed to be paid for the rental of the property consists of anything other than cash paid or agreed to be paid, the value of which cannot be readily determined, then in either case:
 - (i) the stipulated cash base rental (excluding indeterminable items of every kind, such as percentage of sales, taxes, maintenance, and repair costs and utilities) shall be used as the basis for tax computation; and
 - (ii) “taxable basis” means the greater of:
 - (A) the minimum average annual rental ascertainable from the terms of the lease, plus 5% of the minimum average annual rental, the whole to be capitalized at 10%, plus any consideration paid or agreed to be paid, other than rent; or
 - (B) the full cash value of the property, as most recently determined by the State Department of Assessments and Taxation.

(City Code, 1966, art. 28, §122(b); 1976/83, art. 28, §68(b).) (Ord. 63-048; Ord. 66-792; Ord. 67-926; Ord. 67-992; Ord. 67-1052; Ord. 67-1102; Ord. 69-511; Ord. 72-089; Ord. 75-807; Ord. 76-141; Ord. 76-151; Ord. 81-367; Ord. 04-694.)

§ 17-6. Life estates, remainders, and reversions.

(a) *Valuation of life estate.*

The value of life estates subject to the tax levied and imposed by this subtitle shall be determined in the same manner as the value of life estates are determined from time to time, for federal estate tax purposes under the Internal Revenue Code and regulations promulgated thereunder.

(b) *Valuation of remainders and reversions.*

The remainders and reversions after a life estate or life estates shall be valued by determining the value of the whole and deducting therefrom the value of the preceding estates determined as aforesaid.

(City Code, 1966, art. 28, §122(d); 1976/83, art. 28, §68(d).) (Ord. 63-048.)

§ 17-7. Property partly outside City.

In the case of a transfer of property lying partly within and partly without Baltimore City, the tax levied and imposed by this subtitle shall be based only upon the taxable basis of the portion or fractional part of said property which lies within Baltimore City.
(*City Code, 1966, art. 28, §122(e); 1976/83, art. 28, §68(e).*) (*Ord. 63-048.*)

§ 17-8. Exemptions.

The tax levied and imposed by this subtitle shall not apply to the following:

- (1) where the taxable basis is less than \$100;
- (2) transfers by way of mortgage securing a debt;
- (3) transfers by way of bona fide gift or without any consideration;
- (4) transfers to the United States, the State of Maryland, or any political subdivision thereof, or the Mayor and City Council of Baltimore, or any instrumentality or agency of said respective bodies politic;
- (5) transfers by the Housing Authority of Baltimore City to transferees who, in connection with such transfers, grant mortgages which are insured by the Federal Housing Administration or by the U.S. Department of Housing and Urban Development pursuant to Section 235 of the National Housing Act or successor program of the National Housing Act (12 U.S.C. §1701 et seq.), as amended from time to time;
- (6) transfers of property which in the hands of the transferee, immediately after such transfer, shall be entitled to exemption from taxation pursuant to Article 81, § 9 of the Annotated Code of Maryland (1957) *{cf. Tax-Property Article, Title 7, Subtitle 1}*;
- (7) a transfer to a mortgagee when the instrument intending to effect such transfer is presented for recording simultaneously with a deed from such mortgagee to the federal or state government or any instrumentality, agency, or political subdivision thereof;
- (8) a transfer made for the partitioning in kind between joint owners or undivided interests, provided there is no consideration paid or to be paid in connection with such transfers other than the division of the jointly-owned property;
- (9) a transfer under the last will and testament of a decedent, or a transfer to the heirs or next of kin of a decedent under the law of descent and distribution of the State of Maryland;
- (10) a transfer made expressly for the purpose of confirming or correcting a transfer previously made, if there is no taxable basis in excess of \$100 for such transfer; or
- (11) a transfer made expressly for any of the following purposes:
 - (i) the transfer of title to real property between a subsidiary corporation and its parent corporation for no consideration, for nominal consideration, or in sole consideration of the issue or cancellation or surrender of a subsidiary's stock;

(ii) the transfer of title to real property between 2 or more subsidiary corporations wholly owned by the same parent corporation for no consideration, for nominal consideration, or in sole consideration of the issue or the cancellation or surrender of a subsidiary's stock; or

(iii) deed made pursuant to reorganizations within the meaning of § 368(a), or in accordance with §§ 371 to 374, inclusive, of the Internal Revenue Code of the United States duly accepted for filing by the State Department of Assessments and Taxation.

(City Code, 1966, art. 28, §122(c); 1976/83, art. 28, §68(c).) (Ord. 63-048; Ord. 72-089.)

§ 17-9. Payment required for recordation.

(a) *Payment required.*

No written instrument intended to effect a transfer which is subject to the tax levied and imposed by this subtitle shall be presented to the Clerk of the Circuit Court for Baltimore City for recordation among the Land Records of Baltimore City unless and until such tax shall have been paid to the Director of Finance.

(b) *Notations for transfers not subject to tax.*

When the Director of Finance shall determine that a particular transfer is not subject to the tax levied and imposed by this subtitle, he shall so indicate by legend or notation on the written instrument intending to effect such transfer.

(City Code, 1966, art. 28, §122(f), (g); 1976/83, art. 28, §68(f), (g).) (Ord. 63-048; Ord. 76-141; Ord. 76-151.)

§ 17-10. Interest and civil penalties.

In the event any written instrument intending to effect a transfer subject to the tax levied and imposed under this subtitle is recorded by the Clerk of the Circuit Court for Baltimore City without such tax having been first paid, the person and/or other legal entity liable for the payment of such tax shall be assessed by the Director of Finance of Baltimore City for:

(1) the amount of the tax due;

(2) plus interest at the rate of ½% per month, or fractional part thereof, accounting from the date when such written instrument was received for recordation; and

(3) a penalty of 10% of the tax due.

(City Code, 1966, art. 28, §122(i); 1976/83, art. 28, §68(i).) (Ord. 63-048; Ord. 76-141; Ord. 76-151.)

§ 17-11. Liability for tax.

(a) *Transferors and transferees, jointly and severally.*

The tax levied and imposed by this subtitle, and all increases, interest, and penalties thereon, shall be and become, from the time due and payable, the debt of the legal and equitable transferors and transferees, jointly and severally, of the property affected by or involved in any written instrument intending to effect a transfer subject to such tax.

(b) *But governmental transferors.*

Except that, in the case of transfers by the United States, the State of Maryland, or any political subdivision thereof, or the Mayor and City Council of Baltimore, or any instrumentality or agency of said respective bodies politic, which transfers are not exempt under § 17-7 of this subtitle, the tax levied and imposed by this subtitle, and all increases, interest and penalties thereon, shall be and become, from the time due and payable, the debt of the legal and equitable transferees only, and shall not become the debt of any of the aforementioned bodies politic or any instrumentality or agency thereof.

(*City Code, 1966, art. 28, §122(j); 1976/83, art. 28, §68(j).*) (*Ord. 63-048; Ord. 72-089.*)

§ 17-12. Administration of subtitle.(a) *General powers of Director of Finance.*

In order to properly carry out and enforce the provisions of this subtitle and to collect the tax levied and imposed hereunder, the Director of Finance is hereby authorized and empowered:

(1) to make, adopt, promulgate, and amend, from time to time, such rules and regulations as he may deem necessary or proper:

(i) to carry out and enforce the provisions of this subtitle;

(ii) to fully collect the tax imposed by this subtitle; and

(iii) to define or construe any of the terms and provisions used in this subtitle in connection with the imposition or collection of said tax;

Copies of said rules and regulations shall be filed with the City Department of Legislative Reference.

(2) with the approval of the City Solicitor:

(i) to compromise disputed claims in connection with the tax levied and imposed by this subtitle; and

(ii) for good and sufficient causes shown, to abate or remit interest and penalties and to rebate and refund any taxes erroneously or improperly paid;

(3) to delegate any of his powers, duties, and functions under the provisions of this subtitle to the City Collector or any other agent, representative, or employee of the Mayor and City Council of Baltimore;

(4) to conduct investigations concerning any matter covered by this subtitle and, at any time and in connection therewith, to require by subpoena or summons the attendance and testimony of witnesses and the production of any books, accounts, records, papers, and correspondence relating to any matter which the Director of Finance is authorized by this subtitle to determine; and

(5) to sign subpoenas, administer oaths, and affirmations, examine witnesses, and receive evidence.

(b) *Enforcing subpoenas, etc.*

In case of disobedience of any subpoena or the contumacy of any witness appearing before the Director of Finance, or his duly authorized agent or representative, the Director of Finance may apply to the Circuit Court for Baltimore City for an order requiring the person subpoenaed to obey the subpoena or to give evidence or to produce books, accounts, records, papers, and correspondence touching the matter in question.

(c) *Self-incrimination.*

(1) No person shall be excused from testifying or producing any books, papers, records, or data in any investigation or upon any hearing when ordered to do so by the Director of Finance or his duly authorized agent or representative, upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to criminal penalty, but no such testimony or evidence, documentary or otherwise, shall be used in any subsequent prosecution against the individual supplying the same.

(2) No individual so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

(City Code, 1966, art. 28, §122(k); 1976/83, art. 28, §68(k).) (Ord. 63-048; Ord. 76-141.)

§ 17-13. Appeals.

(a) *Appeal to BMZA.*

In the event that any person or other legal entity who is legally liable for the payment of the tax levied and imposed by this subtitle is aggrieved by any determination, decision, order, or notice of any kind which is made, rendered, issued, or given under the provisions of this subtitle, such person or other legal entity, within 20 days after notice of any such determination, decision, order, or notice has been given to or mailed to such person or other legal entity, shall have the right to appeal therefrom to the Board of Municipal and Zoning Appeals for review by it.

(b) *Consideration by BMZA.*

Upon reasonable notice in accordance with its rules and the provisions of the Baltimore City Charter, the Board:

(1) shall hold a hearing; and

(2) by a majority vote thereof, shall have the power and authority to reverse or affirm, wholly or partly, or modify the determination, decision, order, or notice appealed from.

(c) *Judicial and appellate review.*

(1) A person aggrieved by a determination of the Board of Municipal and Zoning Appeals may seek judicial review of that decision by petition to the Circuit Court for Baltimore City in accordance with the Maryland Rules of Procedure.

(2) A party to the judicial review may appeal the court's final judgment to the Court of Special Appeals in accordance with the Maryland Rules of Procedure.
(City Code, 1966, art. 28, §122(l); 1976/83, art. 28, §68(l).) (Ord. 63-048; Ord. 04-672.)

§ 17-14. Court Clerk not responsible for collections.

Nothing contained in this subtitle shall be taken or construed as imposing any duty or liability upon the Clerk of the Circuit Court for Baltimore City in connection with the imposition, payment or collection of the tax imposed by this subtitle, or the administration or enforcement of the provisions of this subtitle.
(City Code, 1966, art. 28, §122(o); 1976/83, art. 28, §68(o).) (Ord. 63-048.)

§ 17-15. {Reserved}

§ 17-16. Criminal penalties.

(a) *In general.*

Any person or other legal entity who:

- (1) willfully offers to the Clerk of the Circuit Court for Baltimore City for recordation or who has recorded any written instrument intending to effect a transfer subject to the tax levied and imposed under this subtitle without first having paid the tax imposed by this subtitle;
- (2) willfully misrepresents the amount of value of the consideration constituting the taxable basis in a transfer of property subject to the tax levied and imposed under this subtitle;
- (3) participates or aids in any manner in the evasion of the tax levied and imposed by this subtitle;
- (4) willfully violates any of the rules or regulations made, adopted or promulgated by the Director of Finance under the provisions of this subtitle; or
- (5) willfully violates any of the provisions of this subtitle,

shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$500 for each and every such offense.

(b) *Forgery.*

Any person who forges or counterfeits any official receipt or legend or the signature of the Director of Finance, or facsimile thereof, or of his duly authorized representative, or who in any manner affixes or causes to be affixed any such forged or counterfeit receipt, legend, or signature to any written instrument intending to effect a transfer subject to the tax levied and imposed

under this subtitle, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$500, or be imprisoned for not more than 6 months, or both, in the discretion of the Court, for each and every such offense.

(City Code, 1966, art. 28, §122(m), (n); 1976/83, art. 28, §68(m), (n).) (Ord. 63-048; Ord. 76-141; Ord. 81-367.)

SUBTITLE 18
LOCAL INCOME TAX

§ 18-1. Tax imposed.

A local income tax is levied and imposed on each resident of Baltimore City.
(*City Code, 1976/83, art. 28, §72(a)(1).*) (*Ord. 71-1061; Ord. 99-526.*)

§ 18-2. Rate of tax.

For each calendar year, the tax rate is 3.2% of an individual's Maryland taxable income for that year.
(*City Code, 1976/83, art. 28, §70(a)(2).*) (*Ord. 71-1061; Ord. 99-526; Ord. 01-180; Ord. 10-294.*)

§ 18-3. Administration.

The income tax imposed by this subtitle:

(1) shall be collected in the same manner and at the same time as the income tax imposed by the State is collected; and

(2) shall be administered in accordance with, and subject to, the applicable provisions of the State Tax-General Article.

(*City Code, 1976/83, art. 28, §72(b).*) (*Ord. 71-1061.*)

SUBTITLE 19
ADMISSIONS AND AMUSEMENT TAX

§ 19-1. Tax on admissions.(a) *In general.*

Except as otherwise provided in this section, there is levied and imposed a tax at the rate of 10% of the gross receipts derived from any admissions and amusement charge as defined in State Tax-General Article § 4-101(b).

(b) *Theaters on National Register.*

For any theater included on the National Register of Historic Places, the rate shall be 5% of the gross receipts.

(c) *Single-screen theaters.*

For any single-screen movie theater that rents or leases its motion picture film through commercial distribution, the rate shall be 5% of the gross receipts.

(City Code, 1976/83, art. 28, §74(a).) (Ord. 69-510; Ord. 70-754; Ord. 70-763; Ord. 70-820; Ord. 70-920; Ord. 70-929; Ord. 71-1055; Ord. 72-113; Ord. 82-719; Ord. 82-776; Ord. 82-779; Ord. 89-304; Ord. 90-501A; Ord. 93-221.)

§ 19-2. Tax on reduced charges.

In the City of Baltimore, there is levied and imposed a tax on reduced charges or free admissions, as set forth in State Tax-General Article § 4-105(f).

(City Code, 1976/83, art. 28, §74(b).) (Ord. 69-510; Ord. 70-754; Ord. 70-763; Ord. 70-820; Ord. 70-920; Ord. 70-929; Ord. 71-1055; Ord. 72-113; Ord. 82-719; Ord. 82-776; Ord. 82-779; Ord. 89-304; Ord. 90-501A; Ord. 93-221.)

§ 19-3. Exemptions – community associations; restaurants.

The following are exempt from the tax imposed by this subtitle:

(1) the gross receipts of not-for-profit community associations, as defined in State Tax-General Article § 4-104; and

(2) restaurants that provide entertainment consisting solely of an individual roving performer whose act does not employ and is not dependent on the use of amplified sound for entertaining patrons within the restaurant.

(City Code, 1976/83, art. 28, §74(c).) (Ord. 69-510; Ord. 70-754; Ord. 70-763; Ord. 70-820; Ord. 70-920; Ord. 70-929; Ord. 71-1055; Ord. 72-113; Ord. 82-719; Ord. 82-776; Ord. 82-779; Ord. 89-304; Ord. 90-501A; Ord. 93-221; Ord. 96-043; Ord. 02-462.)

§ 19-4. Exemptions – arts and entertainment district.(a) *Definitions.*(1) *In general.*

In this section, the following terms have the meanings indicated.

(2) *Arts and entertainment district.*

“Arts and entertainment district” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(3) *Arts and entertainment enterprise.*

“Arts and entertainment enterprise” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(4) *Director.*

“Director” means the Director of Finance or designee.

(5) *Qualifying residing artist.*

“Qualifying residing artist” has the meaning stated in Article 83A, § 4-701 of the Maryland Code.

(b) *Exemption granted.*

Subject to the requirements of this section, the gross receipts from any admissions or amusement charge levied by a qualifying residing artist or arts and entertainment enterprise in an arts and entertainment district are exempt from the tax imposed by this subtitle.

(c) *Registration.*

(1) To be eligible for the exemption, the qualifying residing artist or arts and entertainment enterprise must register with the Director of Finance.

(2) The registration shall be on the form and contain the information that the Director requires.

(d) *Term of exemption.*

An exemption under this section applies only for 10 years from the date on which the qualifying residing artist or arts and entertainment enterprise registers with the Director.

(e) *Administration.*

The Director may:

- (1) adopt rules and regulations to implement the provisions of this section; and
- (2) delegate powers, duties, or functions in connection with the administration of this section to any employee of the City.

(f) *Program termination.*

Registrations for artists or enterprises in an arts and entertainment district will not be accepted after the 10th year from the date the arts and entertainment district was designated by the State. (Ord. 02-462.)

§ 19-5. Exemptions – Simulated slot machines.

Editor’s Note: This section was added by Ordinance 10-337. Section 4 of Ord. 10-337, provides that the Ordinance “takes effect on January 1, 2011, or, if later, on the 60th day after notice is given to the State Comptroller” of the enactment of this amendment to the City Admissions and Amusement Tax.

(a) *“Simulated slot machine” defined.*

In this section, “simulated slot machine” has the meaning stated in City Code Article 15 {“Licensing and Regulation”}, § 2-11 {“Definitions”}.

(b) *Exemption granted.*

The tax imposed by this subtitle does not apply to the gross receipts from a simulated slot machine that is licensed and registered as required by City Code Article 15 {“Licensing and Regulation”}, Subtitle 2 {“Amusements”}, Part 3 {“Amusement Devices”}. (Ord. 10-337.)

SUBTITLE 20
BEVERAGE CONTAINER TAX

Editor's Note: This subtitle was enacted by Ordinance 10-343, effective July 25, 2010, with a 3-year "sunset" provision. Subsequently, Ordinance 12-045 repealed the "sunset".

§ 20-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *Beverage.*

(1) *In general.*

"Beverage" means, except as specified in paragraph (2) of this subsection, any of the following:

- (i) any beer, ale, or other malt beverage;
- (ii) any distilled spirits;
- (iii) any wine, wine cooler, or other wine product;
- (iv) any fruit juice with less than 10% natural fruit juice content;
- (v) any ready-to-drink tea;
- (vi) any soda water, carbonated water, natural or artificial mineral water, or natural or spring water; and
- (vii) any soft drink, including:
 - (A) cola, ginger ale, root beer, or sarsparilla; or
 - (B) any other carbonated or uncarbonated beverage commonly known as a "soft drink".

(2) *Exclusions.*

"Beverage" does not include:

- (i) any dairy products;
- (ii) any nondairy, milk-substitute products, such as soy milk, hazelnut or other nut milk, rice or other grain milk, and the like;

- (iii) any beverage containing at least 10% natural fruit juices; or
- (iv) any beverage in a container of 2 liters or larger.

(c) *Dealer.*

(1) *In general.*

“Dealer” means any person who engages in the retail sale of beverages subject to this subtitle.

(2) *Inclusions.*

“Dealer” includes:

- (i) any business that permits on-premises consumption of beverages;
- (ii) any distributor engaged in casual retail sales of beverages;
- (ii) any operator of a vending machine from which beverages are sold; and
- (iii) any individual outlet in the City of a multiple-outlet retail chain store.

(d) *Director.*

“Director” means the Director of Finance or a designee of the Director of Finance.

(e) *Distributor.*

“Distributor” means:

- (1) any person who supplies non-reusable beverage containers to a dealer in the City;
- (2) any person who supplies and services vending machines in the City with non-reusable beverage containers; and
- (3) any multiple-outlet retail chain store that supplies non-reusable beverage containers to its individual outlets in the City.

(f) *Non-reusable beverage container.*

(1) *In general.*

“Non-reusable beverage container” means any individual, separate, and sealed glass, metal, or plastic bottle, can, jar, or carton that:

- (i) contains a beverage; and
- (ii) is not ordinarily collected from consumers for refilling with a beverage.

(2) *When not considered reusable.*

A beverage container is not considered reusable if:

- (i) it is physically incapable of reuse; or
- (ii) it is the type for which:
 - (A) no deposit is required to be paid by the consumer; and
 - (B) no refund is payable to the consumer by the dealer.

(g) *Person.*

(1) “Person” means:

- (i) an individual;
- (ii) a partnership, firm, association, corporation, or other entity of any kind; or
- (iii) a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind.

(2) “Person” does not include a governmental entity or an instrumentality or unit of a governmental entity.

(h) *Supply.*

(1) “Supply” means to provide, furnish, deliver, distribute, or transmit.

(2) For purposes of this subtitle, the act of supplying non-reusable beverage containers to a dealer operating in the City is completed, and tax liability accrues, on receipt of the products by the dealer in the City.

(Ord. 10-343.)

§ 20-2. Tax imposed.

A tax is imposed on every distributor who supplies to a dealer operating in the City any non-reusable beverage containers.

(Ord. 10-343.)

§ 20-3. Amount of tax.

The amount of the tax imposed is 5¢ per non-reusable beverage container.

(Ord. 10-343; Ord. 12-045.)

§ 20-4. When payable; monthly reports.*(a) In general.*

The tax imposed by this subtitle:

- (1) is due when the dealer receives the non-reusable beverage containers; and
- (2) must be paid on or before the 25th day of the month following the month in which the dealer received the non-reusable beverage container.

(b) Report.

- (1) The distributor must remit the tax to the Director of Finance, together with a monthly report of all non-reusable beverage containers that the distributor supplied to dealers operating in the City.

- (2) The report must be in a form the Director approves.

(Ord. 10-343.)

§ 20-5. Dealer self-transport.*(a) Dealer liable absent certification.*

If any dealer transports non-reusable beverage containers into the City or causes non-reusable beverage containers to be transported into the City, the dealer is liable for the payment of the tax imposed by this subtitle, together with all applicable interest and penalties, unless the dealer obtains from the supplier of the products a written certification that the supplier is liable for and is paying the tax.

(b) Form.

The certification must be in a form the Director approves.

(Ord. 10-343.)

§ 20-6. Records.

Every distributor and every dealer must:

- (1) keep complete and accurate records of all transactions involving non-reusable beverage containers, as necessary or otherwise required by the Director to determine whether all taxes due under this subtitle have been paid; and
- (2) make these records available, at all times during business hours, for inspection and audit by the Director.

(Ord. 10-343.)

§ 20-7. Interest and civil penalties.

If a distributor fails to pay the tax imposed by this subtitle when due, the distributor must pay the Director, in addition to the tax due:

- (1) interest at the rate of 1% for each month or fraction of a month that the tax is overdue; and
- (2) a penalty of 10% of the amount of the tax due.

(Ord. 10-343.)

§ 20-8. Tax determination by Director.

(a) *Director to obtain information.*

If any person fails to make the report and remit the tax when due and fails to keep suitable records as required under this subtitle, the Director of Finance may attempt to obtain other available information on which to base an estimate of the tax due.

(b) *Director to estimate tax.*

As soon as the Director obtains this information, the Director may proceed to determine the tax due and assess that tax, plus interest and penalties, against the person liable for the tax.

(c) *Notice and payment.*

(1) The Director may then notify the person by mail, sent to that person's last known address, of the total amount of the tax, interest, and penalties.

(2) The total amount is payable within 10 days from the date of this notice.

(Ord. 10-343.)

§ 20-9. Closing or sale of business.

If a person required to pay a tax under this subtitle sells his, her, or its business or otherwise ceases to do business:

- (1) any tax payable under this subtitle becomes immediately due and payable; and
- (2) within 3 days of the sale or other cessation of business, that person must submit the required report and remit the total amount of the tax due.

(Ord. 10-343.)

§ 20-10. Lien on property.

The tax, interest, and penalties imposed by this subtitle are a lien on the property of any person liable for their payment.

(Ord. 10-343.)

§ 20-11. Rules and regulations.

(a) *Director may adopt.*

The Director may adopt rules and regulations as necessary or appropriate to:

- (1) govern the payment, collection, and accounting of the tax imposed by this subtitle;
- (2) define any terms used in connection with the imposition and collection of the tax imposed under this subtitle;
- (3) provide for the credit of any tax paid on returned products;
- (4) provide for the refund of any tax, interest, or penalty erroneously or illegally paid; and
- (5) otherwise administer, enforce, and carry out this subtitle.

(b) *Copies to be filed with Legislative Reference.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they become effective.

(Ord. 10-343.)

§ 22-12. {Reserved}

§ 20-13. Penalties.

Any person who violates any provision of this subtitle or of any rule or regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

(Ord. 10-343.)

SUBTITLE 21
HOTEL ROOM TAX

§ 21-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *Gross amounts of money.*

“Gross amounts of money” means the total gross payments of any kind or character (including cash, credit, property, and services), received in a retail transaction for which real property is rented, whether received in money or otherwise, without any deduction for charges or other amounts for any services necessary to complete the transaction.

(c) *Hotel.*

“Hotel” means a building containing sleeping accommodations for more than 5 persons and open to the transient public.

(d) *Owners or operators of hotels.*

“Owners or operators of hotels” means any person:

- (1) possessing or having an ownership interest in a hotel;
- (2) engaged in the business of operating a hotel; or
- (3) receiving any consideration for the rental of a hotel room for sleeping accommodations, including, without limitation, any broker, service provider, or other intermediary:
 - (i) with which a hotel has contracted to arrange for the rental of a hotel room for sleeping accommodations; or
 - (ii) that has acquired any hotel room for subsequent rental from the hotel for sleeping accommodations.

(e) *Transient guest or tenant.*

“Transient guest or tenant” means a person or persons renting, using, or occupying a room or rooms in a hotel for sleeping accommodations for less than 90 consecutive days.

(*City Code, 1966, art. 28, §77(b); 1976/83, art. 28, §37(b).*) (*Ord. 57-1096; Ord. 80-028; Ord. 82-705; Ord. 89-319; Ord. 07-495.*)

§ 21-2. Tax imposed.

A tax of 9.5% is levied and imposed on all gross amounts of money paid to the owners or operators of hotels in the City by transient guests or tenants for renting, using, or occupying a room or rooms in those hotels for sleeping accommodations, to be paid and collected as provided in this subtitle. (*City Code, 1966, art. 28, §77(a); 1976/83, art. 28, §37(a).*) (*Ord. 57-1096; Ord. 80-028; Ord. 82-705; Ord. 89-319; Ord. 94-378; Ord. 04-845; Ord. 07-495; Ord. 10-299.*)

§ 21-3. {Repealed by Ord. 04-845}**§ 21-4. Collections.****(a) Hotel to collect and remit.**

Every person, firm, association, or corporation owning or operating any hotel in Baltimore City:

- (1) shall collect the tax levied and imposed by this subtitle from the persons paying the rental or other charges for the use or occupancy of any room or rooms for sleeping accommodations in his or its hotel; and
- (2) shall pay the tax to the Director of Finance on or before the 25th day of each month.

(b) Forms.

At the same time that any such payment is made to the Director of Finance, the party making such payment shall file with the Director of Finance a statement, on such forms as may be prescribed by the Director of Finance, showing the amount of taxes collected during the preceding period, and setting forth such other data and information as may be required by the Director of Finance.

(*City Code, 1966, art. 28, §78(a); 1976/83, art. 28, §38(a).*) (*Ord. 57-1096; Ord. 58-1386; Ord. 76-141; Ord. 07-495.*)

§ 21-5. Interest and civil penalties.**(a) In general.**

- (1) Any person, firm, association, or corporation that refuses or fails to collect the taxes imposed by this subtitle, or to make a proper return when due, or to pay the taxes collected over to the Director of Finance when due, is liable for and must pay to the Director, in addition to the tax due:
 - (i) interest on the amount of tax due at the rate of 1% for each month or part of a month that the tax is overdue; and
 - (ii) a penalty of:
 - (A) if the tax is 30 to 59 days past due, 30% of the amount due;
 - (B) if the tax is 60 to 89 days past due, 60% of the amount due; and

(C) if the tax is 90 days or more past due, 100% of the amount due.

(2) The penalty imposed by paragraph (1)(ii) of this subsection applies to all unpaid taxes regardless of the original date on which the unpaid taxes first became due.

(b) *Collection.*

This interest and penalty shall be collected as a part of the tax itself.

(*City Code, 1966, art. 28, §79; 1976/83, art. 28, §39.*) (*Ord. 57-1096; Ord. 58-1386; Ord. 76-141; Ord. 84-016; Ord. 10-299; Ord. 11-561.*)

§ 21-6. Refunds.

(a) *In general.*

Whenever any person erroneously, illegally, or unconstitutionally has paid the tax imposed by this subtitle, or whenever any person has paid the tax imposed by this subtitle in connection with a room or rooms in a hotel which such person has rented, used, or occupied for a period of 90 consecutive days or more, the Director of Finance shall refund the amount of such tax so paid upon receipt by him of a properly executed application stating good and sufficient grounds for any such refund.

(b) *Application.*

Any such application:

(1) must be filed within 3 years from the date when the tax is paid;

(2) must contain such information and be in such form as may be required or approved by the Director of Finance; and

(3) must be signed by both the persons having paid the tax and the proper officer or officers of the particular hotel involved.

(*City Code, 1966, art. 28, §81; 1976/83, art. 28, §41.*) (*Ord. 61-908; Ord. 76-141.*)

§ 21-7. Conveyance of hotel business.

(a) *Notification required.*

(1) Whenever any person, firm, association, or corporation owning or operating any hotel business in Baltimore City shall sell, transfer, convey, or assign any such hotel business, the purchaser, transferee, or assignee thereof shall, at least 10 days before taking possession or control of such hotel business or paying therefor, notify the Director of Finance by registered mail of the proposed sale, transfer, conveyance, or assignment and of the price, terms, and conditions thereof.

(2) The said notice shall be given to the Director of Finance:

- (i) whether or not the vendor, transferor, or assignor has represented to or informed the purchaser, transferee, or assignee that it owes any tax under the terms and provisions hereof; and
- (ii) whether or not the purchaser, transferee, or assignee has knowledge that such taxes are in fact owing.

(b) *Tax claim lien on purchase payment.*

- (1) Whenever the purchaser, transferee, or assignee shall fail to give the said notice to the Director of Finance, as required by the terms and provisions hereof, or whenever the Director of Finance shall inform the purchaser, transferee, or assignee that a possible claim for such tax exists, any sums of money, property, or choses in action, or other consideration which the purchaser, transferee, or assignee is obligated to pay or transfer to the vendor, transferor, or assignor shall be subject to a first priority, right, and lien for said taxes theretofore or thereafter determined to be due from the vendor, transferor, or assignor to the City.
- (2) The purchaser, transferee, or assignee is forbidden to pay or transfer to the vendor, transferor, or assignor any of the aforementioned sums of money, property, or choses in action to the extent of the amount of the City's claim for unpaid taxes due under the terms and provisions hereof.

(c) *Penalties.*

For failure to comply with the terms and provisions of this section, the purchaser, transferee, or assignee:

- (1) shall be personally liable for the payment to the City of said taxes theretofore or thereafter determined to be due to the City from the vendor, transferor, or assignor, in the same manner and to the same extent as the vendor, transferor, or assignor; and

(2) in addition thereto shall also be subject to the criminal penalties set forth in § 21-10. (*City Code, 1966, art. 28, §82; 1976/83, art. 28, §42.*) (*Ord. 65-683.*)

§ 21-8. Administration of subtitle.

(a) *Rules and regulations.*

- (1) The Director of Finance is hereby authorized to adopt or promulgate such rules and regulations as he may deem necessary or proper:
 - (i) pertaining to the payment, collection, and accounting of the taxes levied and imposed by this subtitle; or
 - (ii) in connection with the administration and enforcement of the provisions of this subtitle.

- (2) Copies of said rules and regulations shall be filed with the City Department of Legislative Reference.

(b) *Additional powers of Director of Finance.*

In addition to the powers granted to the Director of Finance in connection with the collection of the tax imposed by this subtitle, he is hereby authorized and empowered:

- (1) to compromise disputed claims in connection with the tax imposed by this subtitle and, for good and sufficient causes shown, to remit interest and penalties;
- (2) to delegate any of his powers, duties, and functions in connection with the collection of the tax imposed by this subtitle and the enforcement of the provisions relating thereto to the City Collector or any other agent, representative, or employee of the Mayor and City Council of Baltimore; and
- (3) to extend for good cause shown the time for filing any return required to be filed under this subtitle and for such period of time as he may deem reasonable.

(City Code, 1966, art. 28, §78(b), (c); 1976/83, art. 28, §38(b), (c).) (Ord. 57-1096; Ord. 58-1386; Ord. 76-141.)

§ 21-9. {Reserved}

§ 21-10. Criminal penalties.

The willful refusal on the part of any person, firm, association, or corporation to collect the said taxes, file proper returns when due, or pay the taxes collected by him or it over to the Director of Finance when due, as required by this subtitle or by regulations of the Director of Finance adopted pursuant hereto, or the filing of a return known to be false or incomplete, shall be a misdemeanor, and any person, firm, association, or corporation convicted thereof shall be subject to a fine of not more than \$500 or imprisonment not exceeding 6 months, or to both fine and imprisonment, in the discretion of the Court.

(City Code, 1966, art. 28, §80; 1976/83, art. 28, §40.) (Ord. 57-1096, 1957-58; Ord. 76-141.)

**SUBTITLE 22
PARKING TAX**

§ 22-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *Director.*

“Director” means the City Director of Finance.

(c) *Garage.*

“Garage” means any structure or part of a structure for the parking of 3 or more motor vehicles in exchange for a fee or other consideration.

(d) *Motor vehicle.*

“Motor vehicle” means:

- (1) any self-propelled vehicle; and
- (2) any other vehicle required to be registered under the laws of this State or of any other state.

(e) *Operator.*

“Operator” means any person who controls, conducts, or operates a parking lot or garage.

(f) *Parking.*

“Parking” means any parking, storing, housing, or keeping of a motor vehicle, whether self-service, valet-service, long-term, short-term, ticketed, metered, for special events only, or otherwise.

(g) *Parking lot.*

“Parking lot” means any outdoor area or space for the parking of 3 or more motor vehicles in exchange for a fee or other consideration.

(h) *Person.*

“Person” means:

- (1) an individual;
- (2) a partnership, firm, association, limited liability company, corporation, or other entity of any kind;

(3) a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind; and

(4) a governmental entity or an instrumentality or unit of a governmental entity.

(i) *Transaction.*

“Transaction” means the parking of a motor vehicle on a parking lot or in a garage in exchange for a fee or other consideration.

(City Code, 1976/83, art. 28, §73(a).) (Ord. 68-146; Ord. 89-318; Ord. 01-271; Ord. 11-572.)

§ 22-2. Tax imposed.

(a) *In general.*

A tax is levied and imposed on the privilege of parking a motor vehicle on any parking lot or in any garage in the City in exchange for a fee or other consideration paid by the parker or by another on the parker’s behalf.

(b) *Ultimate liability.*

The ultimate liability for payment of the tax is on the person who seeks the privilege of occupying a space on a parking lot or in a garage.

(City Code, 1976/83, art. 28, §73(b)(1).) (Ord. 68-146; Ord. 68-253; Ord. 69-474; Ord. 70-867; Ord. 81-368; Ord. 89-318; Ord. 99-526; Ord. 01-271.)

§ 22-3. Rate of tax.

For all parking, whether on an hourly, daily, weekly, monthly, or longer basis, the tax is the following percentage of the fee or other consideration received, directly or indirectly, for or in connection with that parking:

(1) until June 30, 2013, 20%; and

(2) beginning July 1, 2013, 19%.

(City Code, 1976/83, art. 28, §73(b)(2).) (Ord. 68-146; Ord. 68-253; Ord. 69-474; Ord. 70-867; Ord. 81-368; Ord. 89-318; Ord. 96-050; Ord. 99-526; Ord. 01-271; Ord. 08-070; Ord. 10-301.)

§ 22-4. Exceptions.

(a) *Exemption for residence parking.*

The tax imposed by this subtitle does not apply to residential parking by:

(1) the tenant of a single-family dwelling, multi-family dwelling, or apartment dwelling, if the parking is provided for in the lease or in a separate agreement between the landlord and the tenant, whether the parking fee or other consideration is paid to the landlord or to the operator of the parking lot or garage; or

- (2) the owner or occupant of a condominium unit, if the parking is provided for in an agreement between the condominium association and the owner or occupant, whether the parking fee or other consideration is paid to the condominium association or to the operator of the parking lot or garage.

(b) *Publicly owned meters.*

The tax imposed by this subtitle does not apply to publicly owned metered parking spaces.

(c) *Reduction for nonprofits.*

Nonprofit parking lot operators whose monthly parking fee is less than or equal to the monthly parking tax may apply to the Board of Estimates for a reduction of their tax burden.

(City Code, 1976/83, art. 28, §73(c), (j).) (Ord. 68-253; Ord. 69-474; Ord. 70-867; Ord. 81-368; Ord. 89-318; Ord. 01-271.)

§ 22-5. Collection and remittance.

(a) *Operator to collect.*

- (1) The operator of the parking lot or garage must collect the tax imposed by this subtitle from the person seeking the privilege of parking.
- (2) The operator must collect the tax at the same time that the operator collects the fee or other consideration charged for parking, whether that fee or other consideration is charged on an hourly, daily, weekly, monthly, or other basis.

(b) *Remittance to Director.*

The tax imposed by this subtitle must be remitted to the Director on or before the 25th day of the month following the month in which the transaction occurred.

(c) *Reports.*

- (1) Each remittance must be accompanied by a report of all transactions for the month.

- (2) The report must:

- (i) be in the form the Director requires;

- (ii) identify, for each parking lot and garage, its name, address, account number, capacity, parking fees or rate schedule, and number and type of transactions; and

- (iii) contain any other information the Director requires.

(City Code, 1976/83, art. 28, §73(d), (e).) (Ord. 68-146; Ord. 89-318; Ord. 01-271.)

§ 22-6. Interest and civil penalties.

If an operator fails to remit the tax imposed by this subtitle when due, the operator must pay the Director, in addition to the tax due:

(1) interest at the rate of 1% for each month or fraction of a month that the tax is overdue; and

(2) a penalty of 10% of the amount of the tax due.

(*City Code, 1976/83, art. 28, §73(g).*) (*Ord. 68-146; Ord. 84-016; Ord. 89-318; Ord. 01-271.*)

§ 22-7. Records.

(a) *In general.*

Every operator of a parking lot or garage must:

(1) keep complete and accurate records of all motor vehicles parked on an hourly, daily, weekly, monthly, or other basis, together with the amount of tax collected from all transactions;

(2) keep all claim checks and other pertinent records as necessary to determine the amount of tax due; and

(3) make these records available, at all times, during business hours, for inspection and audit by the Director of Finance or other authorized agent, employee, or representative of the City.

(b) *Annual reports.*

(1) Within 120 days after the end of an operator's fiscal year, the operator must file a financial report for that fiscal year with the City Auditor and the Director of Finance.

(2) The report must be:

(i) prepared in accordance with generally accepted accounting principles, consistently applied; and

(ii) certified by a public accountant.

(3) The report must include:

(i) balance sheets;

(ii) statements of operation; and

(iii) statements of changes in financial position and owners' equity.

(4) If the operator is required by its lenders or investors to obtain an audited and certified annual report, the operator must furnish a copy of that report to the City Auditor and the Director of Finance within 30 days of its receipt by the operator.

(c) *Setting rate on failure to comply.*

If any operator fails to keep records from which the tax imposed by this subtitle can be accurately computed, the Director of Finance may compute the amount of tax due by using a factor developed by surveying other operators of a similar type, or otherwise. The Director's computation is prima facie correct.

(*City Code, 1976/83, art. 28, §73(f).*) (*Ord. 68-146; Ord. 89-318; Ord. 01-271.*)

§ 22-8. Rules and regulations.(a) *Authorized.*

The Director of Finance may adopt rules and regulations as necessary or appropriate to:

- (1) govern the payment, collection, and accounting of the tax imposed by this subtitle;
- (2) define any terms used in connection with the imposition and collection of the tax;
- (3) provide for the compromise of disputed claims and, for good and sufficient cause shown, the waiver of interest and penalties;
- (4) provide for the refund of any tax, interest, or penalty erroneously or illegally paid; and
- (5) otherwise administer, enforce, and carry out this subtitle.

(b) *Filing.*

A copy of all rules and regulations adopted under this subtitle must be filed with the Department of Legislative Reference before they become effective.

(*City Code, 1976/83, art. 28, §73(h)(part).*) (*Ord. 68-146; Ord. 89-318; Ord. 01-271.*)

§ 22-9. Delegation.(a) *Authorized.*

Except as provided in subsection (c) of this section, the Director of Finance may delegate any of his or her powers, duties, and functions under this subtitle to:

- (1) any agent, representative, or employee of the Department of Finance;
- (2) any other agency or unit of City government; or
- (3) the Baltimore City Parking Authority.

(b) *Writing and filing.*

- (1) A delegation under this section must be made in writing.
- (2) For a delegation under subsection (a)(2) or (3) of this section, a copy of the writing must be filed with the Board of Estimates before it becomes effective.

(c) *Exception.*

Rules and regulations under this subtitle may only be adopted by the Director of Finance.
(*City Code, 1976/83, art. 28, §73(h)(part.) (Ord. 68-146; Ord. 89-318; Ord. 01-271.)*)

§ 22-10. {Reserved}

§ 22-11. Prohibited conduct.

The operator of a parking lot or garage may not:

- (1) fail, neglect, or refuse to collect or remit the tax imposed by this subtitle;
- (2) make any incomplete, false, or fraudulent return;
- (3) fail to keep complete and accurate records;
- (4) refuse to permit the Director or authorized agent, employee, or representative to inspect and audit the operator's records; or

(5) fail to fully comply with any rule or regulation adopted under this subtitle.
(*City Code, 1976/83, art. 28, §73(i)(part.) (Ord. 68-146; Ord. 69-474; Ord. 70-867; Ord. 89-318; Ord. 01-271.)*)

§ 22-12. Criminal penalties.

Any person who violates any provision of this subtitle or of a rule or regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or to imprisonment for not more than 6 months or to both fine and imprisonment for each offense.
(*City Code, 1976/83, art. 28, §73(i)(part.) (Ord. 68-146; Ord. 69-474; Ord. 70-867; Ord. 89-318; Ord. 01-271.)*)

**SUBTITLE 23
POLE LICENSE FEE**

§ 23-1. Scope of subtitle.

It is hereby declared that nothing contained in this subtitle shall be deemed or held to apply to any pole bearing a public lamp or lamp used to light any street, lane, or alley, or other public place in the City.

*(City Code, 1927, art. 46, §94; 1950, art. 37, §58; 1966, art. 28, §94; 1976/83, art. 28, §54.)
(Ord. 1894-089.)*

§ 23-2. Identification and report.

All persons and corporations having, using, or maintaining any telegraph, telephone, electric light, or other poles in any of the streets, lanes, or alleys of the City of Baltimore, shall:

(1) annually, between May 15 and June 1, in each and every year, file with the Director of Public Works a list of all such poles so used, possessed, or maintained by them, giving the accurate locations of each of such poles; and

(2) shall also have stamped, painted, or printed, in legible characters, their name as owner upon each of such poles.

(City Code, 1893, art. 50, §74; 1927, art. 46, §87; 1950, art. 37, §51; 1966, art. 28, §87; 1976/83, art. 28, §47.) (Ord. 1893-086; Ord. 76-141.)

§ 23-3. Registration, fees, etc.

(a) *Annual fee required.*

Annually in the 1st week of January, all persons or corporations shall pay to the Director of Finance a fee of \$50 for each and every telephone, electric light, or other pole used, possessed, or maintained by them in any of the streets, lanes, or alleys of the City of Baltimore, except trolley poles used exclusively for stringing thereon wires for use in the propulsion, by electricity, of street passenger cars.

(b) *Metal plates and receipts.*

Upon receiving the above fee in January, 1948, and subsequent years:

(1) the Director of Finance shall deliver to the person or corporation paying the same a permanent metal plate, with a plain and conspicuous number thereon, to be provided in the manner prescribed in § 23-4, only for such poles for which permanent metal plates have not been issued prior thereto;

(2) the Director of Finance shall also keep a record of the name of the person or corporation to whom the license is issued, and the number of poles for which license fees are paid; and

- (3) he shall also deliver to such person or corporation a certificate that such person or corporation has paid the required license fee for that year, on the specified number of poles, and that permanent metal plates of the given numbers have been issued therefor.

(c) *Plates to be attached.*

Such person or corporation shall then have 1 of such permanent metal plates securely fastened in some conspicuous place upon each of the poles used, possessed, or maintained by it or him. (*City Code, 1893, art. 50, §75; 1927, art. 46, §90; 1950, art. 37, §54; 1966, art. 28, §90; 1976/83, art. 28, §50.*) (*Ord. 1893-086; Ord. 25-533; Ord. 47-104; Ord. 70-865; Ord. 84-164; Ord. 90-514.*)

§ 23-4. Metal plates.

(a) *Director to obtain.*

It shall be the duty of the Director of Finance on or before January 1, 1926, to purchase a sufficient number of permanent metal plates, numbered with plain conspicuous numbers, beginning with a given number for each person or corporation required to license its poles as hereinafter provided, and so on progressively, and on or before January 1, 1927, and subsequent years, to purchase a sufficient number of permanent metal plates, beginning with the number next succeeding that last issued to any person or corporation, or with a given number, if the person or corporation has had no licensed poles during 1926 or subsequent years, said permanent metal plates to be furnished as prescribed in § 23-3 to the persons or corporations using, possessing, or maintaining telegraph, telephone, electric light, or other poles other than trolley poles used exclusively for stringing wires thereon for use in the propulsion, by electricity, of street passenger cars.

(b) *Specifications.*

The Director of Finance shall cause such permanent metal plates to display the initials or some other symbol denoting the person or corporation to which they are issued; the said plates to be of suitable size and description, in the discretion of the Director of Finance and to be paid for out of the appropriation for general licenses.

(c) *Transfer to replacement pole.*

Provided that in the event any licensee shall replace any pole with another, he may transfer the license to such other pole.

(d) *Replacement plates.*

And provided, further, that the Director of Finance may purchase and furnish without cost to the licensee, duplicate metal plates whenever in his judgment those in use have become illegible through natural wear and tear. (*City Code, 1893, art. 50, §76; 1927, art. 46, §91; 1950, art. 87, §55; 1966, art. 28, §91; 1976/83, art. 28, §51.*) (*Ord. 1893-086; Ord. 25-533; Ord. 76-141.*)

§ 23-5. Removal of noncomplying poles.

All telegraph, telephone, electric light, and other poles in any of the streets, lanes, and alleys of the City of Baltimore (except trolley poles used exclusively for stringing thereon wires for use in the propulsion of street passenger cars):

- (1) which have not been included in any list filed in accordance with § 23-2 with the Director of Public Works; or
- (2) upon which the name of the owner is not legibly painted, printed, or stamped; or
- (3) upon which the above-mentioned license fee has not been paid; or
- (4) on which the above prescribed tin plate is not securely fastened in some conspicuous place,

on or before June 15 in any year, shall be forthwith removed by its owner, and in default thereof may be cut or taken down by the Director of Public Works and removed from the streets by him, in addition to the said owner incurring the penalties provided in § 23-7.

(City Code, 1893, art. 50, §77; 1927, art. 46, §92; 1950, art. 37, §56; 1966, art. 28, §92; 1976/83, art. 28, §52.) (Ord. 1893-086; Ord. 76-141.)

§ 23-6. {Reserved}**§ 23-7. Criminal penalties.**

Any person or persons, or corporation using, possessing, or maintaining any telegraph, telephone, electric light, or other poles in any of the streets, lanes, and alleys of the City of Baltimore:

- (1) who shall fail to file with the Director of Public Works, as prescribed in § 23-2, a list of said poles; or
- (2) who shall fail to have stamped, printed, or painted in legible characters, his or its name as owner upon each of such poles, as prescribed in said § 23-2,

by June 15 of each and every year; or

- (3) who, if belonging to the classes required to pay a fee of \$2 on each pole by § 23-3, shall fail to pay the said fee; or
- (4) shall fail to have the tin plate therein prescribed securely fastened in some conspicuous place

by the said June 15 of each and every year, upon all such telegraph, telephone, electric light, or poles so used, possessed, or maintained by him or them,

shall forfeit and pay a fine of \$10 for each pole upon which he, they, or it are so in default; such fine to be collected as other fines and penalties for the violation of City ordinances are collected.

(City Code, 1893, art. 50, §78; 1927, art. 46, §93; 1950, art. 37, §57; 1966, art. 28, §93; 1976/83, art. 28, §53.) (Ord. 1983-086; Ord. 76-141.)

SUBTITLE 24
PUBLIC PASSENGER VEHICLE GROSS RECEIPTS TAX

§ 24-1. Tax imposed; rate.

There is hereby levied and imposed upon every person, firm, or corporation operating public passenger motor vehicles over fixed routes in the City of Baltimore, and having a permit or permits from the Public Service Commission of Maryland, authorizing both the taking on and discharging of passengers at more than 1 point within Baltimore City and/or the transportation between 2 or more points within said City, whether by electricity, gasoline, or other motive power, an annual tax of 3% upon gross receipts of any such person, firm or corporation.

(City Code, 1950, art. 87, §66(1st sen.); 1966, art. 28, §74(1st sen.); 1976/83, art. 28, §34(1st sen.) (Ord. 47-121; Ord. 51-087.)

§ 24-2. Exceptions.

(a) *Interstate; school buses.*

Provided, that this tax shall not apply to:

- (1) receipts from vehicles engaged in interstate commerce and not accepting persons for transportation between points in Baltimore City; and
- (2) the receipts from school buses operating by or under contract with school authorities and carrying pupils only;

(b) *Partial operation in City.*

Provided further that, as to any vehicles subject to the tax hereby imposed which operate partly in Baltimore City and partly outside thereof, the tax shall be upon that proportion only of its receipts that the mileage it operates in the City of Baltimore bears to the total mileage operated.

(City Code, 1950, art. 87, §66(2nd sen.(2nd, 3rd cls.)); 1966, art. 28, §74(2nd sen.(2nd, 3rd cls.)); 1976/83, art. 28, §34(2nd sen.(2nd, 3rd cls.)) (Ord. 47-121; Ord. 51-087.)

§ 24-3. Remittance.

The said tax shall be paid quarterly to the City of Baltimore on April 10, July 10, October 10, and January 10, in each year.

(City Code, 1950, art. 87, §66(2nd sen.(1st cl.)); 1966, art. 28, §74(2nd sen.(1st cl.)); 1976/83, art. 28, §34(2nd sen.(1st cl.)) (Ord. 47-121; Ord. 51-087.)

§ 24-4. Records; audits.

(a) *Taxpayer to keep records.*

It shall be the duty of any taxpayer liable for taxes hereunder to maintain accurate records of operating revenue.

(b) *Audits.*

The City Auditor is hereby empowered and directed to make all necessary investigations to ascertain the amount of taxes due by any taxpayer hereunder, and all books, records, and documents in the possession of any taxpayer shall be made available at his request.

(c) *Criminal penalties.*

Any taxpayer violating this section shall be guilty of a misdemeanor and, upon conviction thereof by any court of competent jurisdiction, shall be subject to a fine of not more than \$500 or imprisonment not exceeding 1 year or both, in the discretion of the court, for each such offense. (*City Code, 1950, art. 37, §67; 1966, art. 28, §75; 1976/83, art. 28, §35.*) (*Ord. 47-121; Ord. 76-141.*)

§ 24-5. Civil penalties.

Upon default of any person, firm, or corporation in the payment of taxes imposed by this subtitle, or any installment thereof, for a period of 10 days, the person, firm, or corporation so in default shall pay a penalty at the rate of 1% per month. (*City Code, 1950, art. 37, §68; 1966, art. 28, §76; 1976/83, art. 28, §36.*) (*Ord. 47-121.*)

SUBTITLE 25
PUBLIC UTILITIES TAXES

Part 1. Telecommunications Tax

§ 25-1. Definitions.

(a) *In general.*

In this Part 1, the following terms have the meanings indicated.

(b) *Person.*

(1) “Person” means:

(i) an individual;

(ii) a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind; or

(iii) a partnership, firm, association, corporation, or other entity of any kind.

(2) “Person” does not include a governmental entity or an instrumentality or unit of a governmental entity.

(c) *Place of primary use.*

“Place of primary use” has the meaning stated in the Sourcing Act.

(d) *Sourcing Act.*

“Sourcing Act” means the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. §§ 116 through 126 (Pub.L. 106-252).

(e) *Telecommunications line.*

“Telecommunications line” means a wired or wireless connection, identifiable by a unique telephone number, to an exchange, wireless, or other telecommunications service.

(f) *Wireless service.*

(1) “Wireless service” means any mobile telecommunications service, as that term is used in the Sourcing Act.

(2) “Wireless service” includes any:

(i) cellular telephone service;

(ii) personal communication service (“PSC”);

(iii) commercial mobile radio service (“CMRS”); or

(iv) global system for mobile communications (“GSM”).

(Ord. 04-726.)

§ 25-2. Tax imposed.

A tax is levied and imposed on each person who leases, licenses, or sells a telecommunications line to any customer:

(1) for wired service, whose billing address or fixed service address is in the City; or

(2) for wireless service, whose place of primary use is in the City.

(City Code, 1950, art. 37, §76(1st sen.) ; 1966, art. 28, §95(a)(2nd cl.); 1976/83, art. 28, §55(a).)
(Ord. 46-745; Ord. 47-108; Ord. 51-088; Ord. 53-902; Ord. 58-1743; Ord. 60-570; Ord. 68-112;
Ord. 69-508; Ord. 70-839; Ord. 75-944; Ord. 79-1173; Ord. 79-1197; Ord. 82-818; Ord. 86-789;
Ord. 99-441; Ord. 04-726.)

§ 25-3. Rate of tax.

The rate of the tax imposed by this Part 1 is:

- (1) \$0.40 per month or part of a month for each Centrex local exchange access line or trunk line; and
- (2) \$4.00 per month or part of a month for every other telecommunications line, whether a residence, business, PBX local exchange, or other wired or wireless telecommunications line.

Editor’s Note: This section were amended by Ord. 10-303. Sections 3 and 4 of that Ordinance provide as follows:

SECTION 3. AND BE IT FURTHER ORDAINED, That the tax rates established in ... this Ordinance, as applied to members of the Maryland Hospital Association and members of the Maryland Independent College and University Association, may not be increased as long as the Memorandum of Understanding between the City and these Associations is in effect and the Associations are in compliance with the terms and conditions of the Memorandum of Understanding.

SECTION 4. AND BE IT FURTHER ORDAINED, That the tax rates established in ... this Ordinance may not be increased for residential customers as long as the Memorandum of Understanding referred to in Section 3 of this Ordinance is in effect and the Associations are in compliance with its terms and conditions.

(City Code, 1950, art. 37, §76(1st sen.) ; 1966, art. 28, §95(a)(2nd cl.); 1976/83, art. 28, §55(a).)
(Ord. 46-745; Ord. 47-108; Ord. 51-088; Ord. 53-902; Ord. 58-1743; Ord. 60-570; Ord. 68-112;
Ord. 69-508; Ord. 70-839; Ord. 75-944; Ord. 79-1173; Ord. 79-1197; Ord. 82-818; Ord. 86-789;
Ord. 99-441; Ord. 04-726; Ord. 06-247; Ord. 10-303.)

§ 25-4. Exemptions.

The tax imposed by this Part 1 does not apply to a telecommunications line furnished to a telecommunications “lifeline service” customer, as defined by the rules of the Federal Communications Commission and the State Public Service Commission.

(City Code, 1950, art. 37, §76(3rd sen.); 1966, art. 28, §95(c); 1976/83, art. 28, §55(c).) (Ord. 46-745; Ord. 47-108; Ord. 51-088; Ord. 53-902; Ord. 60-570; Ord. 65-675; Ord. 72-165; Ord. 86-606; Ord. 99-441; Ord. 04-726.)

§ 25-5. Report and remittance.**(a) In general.**

Each person subject to the tax imposed by this Part I must remit the tax to the Director of Finance, together with a monthly report, on or before the 25th day of the month following the month for which the tax is due.

(b) Report.

The report must be made under oath, in the form that the Director of Finance requires.

(City Code, 1950, art. 37, §76(2nd sen.); 1966, art. 28, §95(b); 1976/83, art. 28, §55(b).) (Ord. 46-745; Ord. 47-108; Ord. 51-088; Ord. 53-902; Ord. 76-141; Ord. 99-441; Ord. 04-726.)

§ 25-6. Records.

Every person who leases, licenses, or sells telecommunications lines subject to the tax imposed by the Part 1 must:

(1) keep complete and accurate records of all transactions involving those telecommunications lines, as necessary or otherwise required by the Director of Finance to determine whether taxes due under this Part 1 have been paid; and

(2) make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City.

(Ord. 04-726.)

§ 25-7. Interest and civil penalties.

If a person fails to pay the tax imposed by this Part 1 when due, the person must pay to the Director of Finance, in addition to the tax due:

(1) interest at the rate of 1% for each month or part of a month that the tax is overdue; and

(2) a penalty of 10% of the amount of the tax due.

(Ord. 04-726.)

§ 25-8. Rules and regulations.

(a) *Director may adopt.*

The Director of Finance may adopt rules and regulations as necessary or appropriate:

- (1) to insure the payment, collection, and accounting of the tax imposed by this Part 1; and
- (2) to define or further define any terms used in this Part 1.

(b) *Filing.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they take effect.

(City Code, 1950, art. 37, §76(2nd par.); 1966, art. 28, §95(d); 1976/83, art. 28, §55(d).) (Ord. 46-745; Ord. 47-108; Ord. 51-088; Ord. 53-902; Ord. 68-112; Ord. 99-441; Ord. 04-726.)

§ 25-9. {Reserved}

§ 25-10. Penalties.

Any person who violates any provision of this Part 1 or of any rule or regulation adopted under this Part 1, or who makes any false statement or improper return, is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

(City Code, 1950, art. 37, §77, 1966, art. 28, §96; 1976/83, art. 28, §56.) (Ord. 47-108; Ord. 53-902; Ord. 68-112; Ord. 04-726.)

Part 2. Energy Tax

§ 25-11. Definitions.

(a) *In general.*

In this Part 2, the following terms have the meanings indicated.

(b) *Director.*

“Director” means the Director of Finance or the Director’s designee.

(c) *Energy.*

“Energy” means artificial or natural gas, electricity, coal, fuel oil, liquefied petroleum gas, or steam delivered for consumption in Baltimore City.

(d) *Person.*

(1) “Person” means:

- (i) an individual;
 - (ii) a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind; or
 - (iii) a partnership, firm, association, corporation, or other entity of any kind.
- (2) “Person” does not include a governmental entity or an instrumentality or unit of a governmental entity.

(e) *Revenue.*

- (1) “Revenue” means the total amount billed for the sale, delivery, or distribution of energy to users.
- (2) “Revenue” includes, by way of description and not limitation, the amount billed for energy or fuel cost adjustments, delivery or system charges, and service charges.
- (3) “Revenue” does not include finance charges, late payment charges, other government taxes or surcharges, the tax imposed by this Part, charges associated with the initial hook-up or re-connection to the vendor’s system.

(f) *User.*

“User” includes any person that receives delivery of energy, other than for resale or for conversion into another form of energy subject to the tax imposed by this Part 2.

(g) *Vendor.*

“Vendor” means any person that delivers energy subject to the tax imposed by this Part 2 directly to a user.

(*City Code, 1976/83, art. 28, §56A(a).*) (*Ord. 99-441; Ord. 04-728; Ord. 06-247.*)

§ 25-12. Tax imposed.

There is levied and imposed a tax on energy delivered through pipes, wires, or conduits to all users in the City other than those exempted by this Part.

(*City Code, 1976/83, art. 28, §56A(b)(1).*) (*Ord. 99-441; Ord. 04-728.*)

§ 25-13. Exemptions.

The tax imposed by this Part 2 does not apply to energy delivered to any of the following:

- (1) the United States and its agencies, unless subject to local tax under federal law;
- (2) the State of Maryland and its agencies; and
- (3) the City of Baltimore and its agencies.

(*City Code, 1976/83, art. 28, §56A(b)(2).*) (*Ord. 99-441; Ord. 04-728.*)

§ 25-14. Rates.*(a) In general.*

For each fiscal year, the rates of the tax will be established as provided in this section.

(b) Certification of revenues and units.

On or before the preceding February 1, each person that sells, distributes, or delivers energy shall certify to the Director, on the forms and in the manner required by the Director:

- (1) the aggregate units of energy (e.g., kWhs, therms, gallons, pounds, tons) supplied and delivered during the prior calendar year directly to all persons, governmental entities, instrumentalities, and units, and others, whether subject to or exempt from the tax imposed by this Part 2;
- (2) the aggregate revenues derived from the sale, distribution, or delivery of that energy; and
- (3) a breakdown of these aggregate units and revenues by class of user, as defined and prescribed by the Director.

(c) Computation of base year rates.

- (1) For each class of energy and each class of user, the Director shall compute a base year tax rate for Fiscal Year 2005 by:
 - (i) multiplying the sum of the revenues from each class of user for each class of energy by 0.08; and
 - (ii) then dividing that product by the sum of the units of each class of energy delivered to the class of users.
- (2) For Fiscal Year 2011 and each subsequent fiscal year, the base year tax rate shall be the amount computed under paragraph (1) of this subsection, as adjusted under subsection (d) of this section, multiplied by 1.15%.

(d) Annual adjustments.

For Fiscal Year 2006 and each subsequent fiscal year, these tax rates shall be adjusted by the percentage change in the Washington-Baltimore Consumer Price Index, as reported by the United States Department of Labor, comparing December of the preceding calendar year to the December of the next preceding calendar year.

(e) Percentage to be paid.

For each of the following classes of users, the user is required to pay the following percentage of that year's tax rate:

- (1) residential energy users subject to residential schedules on file with the Public Service Commission of Maryland –
- Fiscal Year 2005 and subsequent, 25%.
- (2) direct users of energy in manufacturing, assembling, processing, or refining operations that are exempt from the Maryland State Retail Sales and Use Tax, but not including uses of energy for the following (for which the full tax shall be paid, as stated in paragraph(4) of this subsection):
- (A) maintaining, servicing, or repairing;
- (B) testing finished products;
- (C) providing for the comfort or health of employees;
- (D) operating administrative or commercial facilities, such as offices, sales or display rooms, retail outlets, and storage facilities (including refrigerated storage facilities); or
- (E) any other operations that the State Comptroller incorporates from time to time in the regulations governing the administration of the Maryland State Retail Sales and Use Tax, as those inclusions relate to manufacturing, assembling, processing, or refining –
- Fiscal Years 2005 and 2006, 25%; Fiscal Year 2007 and subsequent, 0%.
- (3) any nonprofit hospital, religious, charitable, or educational institution or organization, or any in-patient medical care or nursing facility licensed by the State or City Health Departments, with respect to energy used in carrying on the work of the nonprofit institution or organization or the in-patient medical care or nursing facility –
- Fiscal Year 2005, 0%; Fiscal Years 2006 through 2010, 75%; Fiscal Year 2011 and subsequent, 87% of the commercial rate imposed on the users listed in subitems (A) through (E) of item (2) of this subsection.
- (4) all other users –
- Fiscal Year 2005 and subsequent, 100%.

Editor's Note: Subsections (c) and (e) of this section were amended by Ord. 10-300. Sections 3 and 4 of that Ordinance provide as follows:

SECTION 3. AND BE IT FURTHER ORDAINED, That, notwithstanding the tax rates set by this Ordinance, the rate applicable to members of the Maryland Hospital Association and members of the Maryland Independent College and University Association may not exceed that agreed to in the Memorandum of Understanding between the City and these Associations, as long as the Memorandum of Understanding is in effect and the Associations are in compliance with its terms and conditions.

SECTION 4. AND BE IT FURTHER ORDAINED, That the tax rate set by this Ordinance for residential users may not be increased as long as the Memorandum of Understanding referred to in Section 3 of this Ordinance is in effect and the Associations are in compliance with its terms and conditions.

(f) *Computation in absence of certification.*

- (1) If a person that sells, distributes, or delivers energy fails to provide the certification required by subsection (b) of this section, the Director may use any reasonable data to establish a proposed rate of taxation.
- (2) A determination made by the Director is presumed valid.

(g) *Director to certify rates.*

- (1) The rates computed by the Director shall be included in the proposed operating budget submitted by the Director to the Board of Estimates.
- (2) After the adoption of the operating budget, the Director shall certify to each vendor the rates of tax for the fiscal year as included in the adopted budget.
(*City Code, 1976/83, art. 28, §56A(c).*) (*Ord. 99-441; Ord. 04-728; Ord. 10-300.*)

§ 25-15. Collection.

(a) *Vendor to collect.*

Each vendor shall itemize the tax on each bill and collect the tax from the user.

(b) *Vendor's rights.*

The vendor has the same rights against the user for collection of the tax as it has for collection of the energy bill.
(*City Code, 1976/83, art. 28, §56A(d).*) (*Ord. 99-441.*)

§ 25-16. Remittance.

By the 25th day of the month, each vendor shall:

- (1) file a return with the Director, under oath and on a form provided by the Director; and
- (2) pay the amount of tax billed to a user for the preceding month.
(*City Code, 1976/83, art. 28, §56A(e).*) (*Ord. 99-441; Ord. 04-728.*)

§ 25-17. Refunds - uncollectible accounts; tax erroneously paid.

(a) *Uncollectible accounts.*

- (1) If a vendor is unable to collect an account receivable for which the tax already has been remitted and the vendor has charged off that account as worthless, the vendor may deduct the amount of the tax from its monthly remittance, subject to the requirements of this subsection.

(2) The vendor must:

(i) before availing itself of this privilege, provide the Director with a written statement of its policies governing the determination of worthless accounts; and

(ii) as a condition of taking any deduction:

(A) keep records of every worthless account for which the vendor has taken a deduction; and

(B) make those records available to the Director, on request, for review or collection efforts.

(b) *Tax paid erroneously, etc.*

Whenever a tax imposed under this Part 2 has been erroneously, illegally, or unconstitutionally paid, the Director shall refund the tax if the application for refund:

(1) is made within 3 years from the payment of the tax; and

(2) states a proper ground for refund.

(City Code, 1976/83, art. 28, §56A(g)(1), (2).) (Ord. 99-441.)

§ 25-18. Refunds - residential uses.

(a) *In general.*

Any person that has paid the tax imposed under this Part 2 for any energy delivered to residential users or to combined residential and commercial users may apply annually to the Director for a refund of that portion of the taxes paid in excess of the applicable rate reasonably allocable to residential users only.

(b) *Application.*

(1) The application shall:

(i) be signed by the applicant;

(ii) contain a sworn affidavit as to the truth and accuracy of the information set forth in it;

(iii) be filed not later than April 1 of each year; and

(iv) cover the preceding 12 months.

(2) Any application not received by April 1 in any particular year may not be given consideration.

(c) *Director's authority.*

- (1) The Director may refund that portion of the taxes determined to have been paid in connection with energy delivered to residential users only.
- (2) The Director may adopt rules and regulations to assist in making that determination.

(d) *Reserve fund.*

- (1) Any refund shall be made from a reserve fund created out of a portion of the tax receipts collected under this Part 2.
- (2) The reserve fund shall be in an amount estimated to be sufficient to pay the refunds authorized by this section.

(City Code, 1976/83, art. 28, §56A(g)(3).) (Ord. 99-441; Ord. 04-728.)

§ 25-19. Records.(a) *In general.*

Every vendor must:

- (1) keep complete and accurate records of all transactions, as necessary or otherwise required by the Director to determine whether taxes due under this Part 2 have been paid; and
- (2) make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City.

(b) *Failure to keep.*

If a vendor fails to keep records from which the tax imposed by this Part 2 may be accurately computed, the Director may use criteria developed by surveying other taxpayers of the same type or otherwise, compute the amount of tax due, and this computation is presumed correct.

(City Code, 1976/83, art. 28, §56A(h).) (Ord. 99-441; Ord. 04-728.)

§ 25-20. Interest and civil penalties.

If a vendor fails to pay the tax imposed by this Part 2 when due, the vendor must pay to the Director, in addition to the tax due:

- (1) interest at the rate of 1% for each month or part of a month that the tax is overdue; and
- (2) a penalty of 10% of the amount of the tax due.

(City Code, 1976/83, art. 28, §56A(f).) (Ord. 99-441; Ord. 04-728.)

§ 25-21. Rules and regulations.

(a) *Director may adopt.*

The Director of Finance may adopt rules and regulations as necessary or appropriate:

- (1) to insure the payment, collection, and accounting of the tax imposed by this Part 2; and
- (2) to define or further define any terms used in this Part 2.

(b) *Filing.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they take effect.

(City Code, 1976/83, art. 28, §56A(i.)) (Ord. 99-441; Ord. 04-728.)

§ 25-22. {Reserved}**§ 25-23. Penalties.**

Any person who violates any provision of this Part 2 or of any rule or regulation adopted under this Part 2, or who makes any false statement or improper return, is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

(City Code, 1976/83, art. 28, §56A(j.)) (Ord. 99-441; Ord. 04-728.)

Editor's Note: Section 4 of Ord. 04-728 provides for the severability of the provisions enacted. Section 6 of that Ordinance provides for periodic reporting to the City Council, as follows:

On or before October 1, 2005, and October 1 of each 5th year following, the Director of Finance shall submit a report to the City Council on the revenues derived from and the effect of the tax established under this Ordinance during the preceding fiscal years.

SUBTITLE 26
911 TELEPHONE FEE

§ 26-1. Fee imposed.

In accordance with State Public Safety Article § 1-311, an additional charge of 75¢ per month is levied and imposed on all current bills rendered for switched local exchange access service, wireless telephone service, or other 911-accessible service within Baltimore City.
(City Code, 1976/83, art. 28, §75(1st sen.).) (Ord. 84-051; Ord. 90-643; Ord. 95-602; Ord. 04-705.)

§ 26-2. Application.

This charge:

- (1) is in addition to the 911 fee imposed by State Public Safety Article § 1-310; and
- (2) shall be applied to all current bills rendered for switched local exchange access service, wireless telephone service, or other 911-accessible service within Baltimore City.
(City Code, 1976/83, art. 28, §75(2nd sen.).) (Ord. 84-051; Ord. 90-643; Ord. 95-602; Ord. 04-705.)

SUBTITLE 27
TOBACCO TAX

Editor's Note: This subtitle was enacted by Ord. 99-388, effective July 1, 1999. Section 3 of that Ordinance provides that the subtitle "shall remain in effect unless the Maryland General Assembly enacts a Statewide tax on tobacco products; if a Statewide tax on tobacco products becomes effective, this Ordinance is abrogated and of no further force and effect, with no further action required by the Mayor and City Council."

After the enactment of Ord. 99-388, the General Assembly enacted Chapter 121, Laws of Maryland 1999. Section 1 of that Act increases the rate of the preexisting tax on cigarettes; Sections 2 and 3 of the Act impose a new tax on certain other tobacco products. Section 9, in turn, provides that Section 1 (the cigarette tax increase) becomes effective July 1, 1999; Section 8, on the other hand, provides that Sections 2 and 3 (the new Statewide tax on other tobacco products) only become effective July 1, 2000.

§ 27-1. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *Cigar.*

- (1) "Cigar" means any cigar, cheroot, stogie, cigarillo, or other roll of tobacco that is wrapped in leaf tobacco or in any other substance that contains tobacco.
- (2) "Cigar" does not include a cigarette.

(c) *Cigarette.*

"Cigarette" has the meaning stated in § 12-101(b) of the State Tax-General Article.

(d) *Dealer.*

- (1) "Dealer" means any person who engages in the retail sale of tobacco products subject to this subtitle.
- (2) "Dealer" includes:
 - (i) any distributor engaged in casual retail sales of tobacco products;
 - (ii) any operator of a vending machine from which tobacco products are sold; and
 - (iii) individual outlets in the City of multiple-outlet retail chain stores.

(e) *Director.*

"Director" means the Director of Finance or a designee of the Director of Finance.

(f) *Distributor.*

“Distributor” means:

- (1) any person who supplies tobacco products to a dealer;
- (2) any person who supplies vending machines with tobacco products; and
- (3) any multiple-outlet retail chain store that supplies tobacco products to its individual outlets.

(g) *Person.*

(1) “Person” means:

- (i) an individual;
- (ii) a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind; or
- (iii) a partnership, firm, association, corporation, or other entity of any kind.

(2) “Person” does not include a governmental entity or an instrumentality or unit of a governmental entity.

(h) *Pipe tobacco.*

“Pipe tobacco” means any tobacco that, because of its appearance, type, packaging, or labeling, is suitable or intended to be smoked in a pipe.

(i) *Smokeless tobacco.*

“Smokeless tobacco” means any chewing tobacco, spit tobacco, snuff, or other finely cut, ground, powdered, or leaf tobacco that is:

- (1) intended to be placed in the oral cavity or nasal passage; or
- (2) otherwise not intended to be smoked.

(j) *Supply.*

(1) “Supply” means to provide, furnish, deliver, distribute, or transmit.

(2) For purposes of this subtitle, the act of supplying tobacco products to a dealer operating in the City is completed, and tax liability accrues, on receipt of the products by the dealer in the City.

(k) *Tobacco product.*

(1) "Tobacco product" means any:

- (i) cigar;
- (ii) pipe tobacco; or
- (iii) smokeless tobacco.

(2) "Tobacco product" does not include a cigarette.

*(City Code, 1976/83, art. 28, §92.) (Ord. 99-388.)***§ 27-2. Tax imposed.**

A tax is imposed on every distributor who supplies to a dealer operating in the City any:

- (i) cigar;
- (ii) pipe tobacco; or

(iii) smokeless tobacco.

*(City Code, 1976/83, art. 28, §93.) (Ord. 99-388.)***§ 27-3. Amount of tax.**(a) *In general.*

The amount of the tax imposed is as specified in this section.

(b) *Cigars.*

For cigars, the tax is:

- | | |
|---|------------------|
| (1) for cigars weighing 3 pounds or less per 1,000: | \$0.03 per cigar |
| (2) for cigars weighing more than 3 pounds per 1,000: | \$0.06 per cigar |

(c) *Pipe tobacco.*

For pipe tobacco, the tax is:

- | | |
|---|---|
| (1) for each package of 1.5 ounces or less: | \$0.36 |
| (2) for each package of more than 1.5 ounces: | \$0.36 per unit or fraction of a unit of 1.5 ounces |

(d) *Smokeless tobacco.*

For smokeless tobacco, the tax is:

- (1) for each package of 1.5 ounces or less: \$0.36
- (2) for each package of more than 1.5 ounces: \$0.36 per unit or fraction of a unit of 1.5 ounces

(City Code, 1976/83, art. 28, §94.) (Ord. 99-388.)

§ 27-4. When payable; monthly reports.

(a) *In general.*

The tax imposed by this subtitle:

- (1) is due when the dealer receives the tobacco product; and
- (2) must be paid on or before the 25th day of the month following the month in which the dealer received the product.

(b) *Report.*

(1) The distributor must remit the tax to the Director of Finance, together with a monthly report of all tobacco products that the distributor supplied to dealers operating in the City.

(2) The report must:

- (i) be in a form the Director approves; and
- (ii) identify the number of products supplied in each of the classifications specified in § 27-3 of this subtitle.

(City Code, 1976/83, art. 28, §95.) (Ord. 99-388.)

§ 27-5. Dealer self-transport.

(a) *Dealer liable absent certification.*

If any dealer transports tobacco products into the City or causes tobacco products to be transported into the City, the dealer is liable for the payment of the tax imposed by this subtitle, together with all applicable interest and penalties, unless the dealer obtains from the supplier of the products a written certification that the supplier is liable for and is paying the tax.

(b) *Form.*

The certification must be in a form the Director approves.

(City Code, 1976/83, art. 28, §96.) (Ord. 99-388.)

§ 27-6. Records.

Every distributor and every dealer must:

- (1) keep complete and accurate records of all transactions involving tobacco products, as necessary or otherwise required by the Director to determine whether all taxes due under this subtitle have been paid; and
- (2) make these records available, at all times during business hours, for inspection and audit by the Director.

(City Code, 1976/83, art. 28, §97.) (Ord. 99-388.)

§ 27-7. Interest and civil penalties.

If a distributor fails to pay the tax imposed by this subtitle when due, the distributor must pay the Director, in addition to the tax due:

- (1) interest at the rate of 1% for each month or fraction of a month that the tax is overdue; and
- (2) a penalty of 10% of the amount of the tax due.

(City Code, 1976/83, art. 28, §98.) (Ord. 99-388.)

§ 27-8. Tax determination by Director.

(a) *Director to obtain information.*

If any person fails to make the report and remit the tax when due and fails to keep suitable records as required under this subtitle, the Director of Finance may attempt to obtain other available information on which to base an estimate of the tax due.

(b) *Director to estimate tax.*

As soon as the Director obtains this information, the Director may proceed to determine the tax due and assess that tax, plus interest and penalties, against the person liable for the tax.

(c) *Notice and payment.*

- (1) The Director may then notify the person by mail, sent to that person's last known address, of the total amount of the tax, interest, and penalties.

- (2) The total amount is payable within 10 days from the date of this notice.

(City Code, 1976/83, art. 28, §99.) (Ord. 99-388.)

§ 27-9. Closing or sale of business.

If a person required to pay a tax under this subtitle sells his, her, or its business or otherwise ceases to do business:

(1) any tax payable under this subtitle becomes immediately due and payable; and

(2) within 3 days of the sale or other cessation of business, that person must submit the required report and remit the total amount of the tax due.

(City Code, 1976/83, art. 28, §100.) (Ord. 99-388.)

§ 27-10. Lien on property.

The tax, interest, and penalties imposed by this subtitle are a lien on the property of any person liable for their payment.

(City Code, 1976/83, art. 28, §101.) (Ord. 99-388.)

§ 27-11. Rules and regulations.

(a) *Director may adopt.*

The Director may adopt rules and regulations as necessary or appropriate to:

(1) govern the payment, collection, and accounting of the tax imposed by this subtitle;

(2) define any terms used in connection with the imposition and collection of the tax imposed under this subtitle;

(3) provide for the credit of any tax paid on returned products;

(4) provide for the refund of any tax, interest, or penalty erroneously or illegally paid; and

(5) otherwise administer, enforce, and carry out this subtitle.

(b) *Copies to be filed with Legislative Reference.*

A copy of all rules and regulations adopted under this section must be filed with the Department of Legislative Reference before they become effective.

(City Code, 1976/83, art. 28, §102.) (Ord. 99-388.)

§ 27-12. {Reserved}

§ 27-13. Penalties.

Any person who violates any provision of this subtitle or of any rule or regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

(City Code, 1976/83, art. 28, §103.) (Ord. 99-388.)

SUBTITLE 28
SALES OR USE TAX ON CONTROLLED DANGEROUS SUBSTANCES

§ 28-1. Definitions.

(a) *In general.*

In this subtitle, the following terms shall mean or include:

(b) *Assessment.*

“Assessment” means any amount of tax that has been imposed under this subtitle, together with all interest charges and penalties added.

(c) *Consignment.*

“Consignment” means the placement or deposit of controlled dangerous substances in the actual or constructive custody of a person for the purpose of:

- (1) selling the consigned controlled dangerous substances; and
- (2) remitting the proceeds of such sales, or portions of proceeds, to the person making the placement or deposit or a designee.

(d) *Controlled dangerous substance.*

“Controlled dangerous substances” or “controlled substances” are those defined in Article 27, § 277 of the Maryland Code.

(e) *Court.*

“Court” means a court of law or court of equity or any judge thereof, and includes the District Court of Maryland for Baltimore City, Circuit Court for Baltimore City, Court of Special Appeals, and Court of Appeals.

(f) *Director.*

“Director” means the Director of Finance for Baltimore City or a designee.

(g) *Includes; including.*

“Include(s)” or “including” means include(s) or including by way of illustration and does not limit the matter to the specific examples illustrated.

(h) *Narcotics operation.*

“Narcotics operation” means any kind of private business for the sale, purchase, possession, transfer, or consignment of controlled dangerous substances, which business is comprised or

carried out by more than 1 such activity, whether for profit or for any other consideration including accommodation to another person.

(i) *Notice.*

(1) “Notice” shall mean actual notice or notice through documents:

(i) which shall be delivered at the dwelling or usual place of business of the taxpayer, if the address is known or readily obtainable, and to a person 18 years of age or older;
or

(ii) which shall be sent by certified mail to the taxpayer’s last known address.

(2) Any period of time which is determined according to the provisions of this subtitle by the giving of notice shall commence to run from the date of mailing of such notice.

(j) *Person.*

“Person” means a natural person, whether an individual, receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind, partnership, firm, and a corporation, association, or other legal entry.

(k) *Records.*

(1) “Records” or “business records” means all records of any type or form and however recorded which relates to a narcotics operation, or transaction, or profit therefrom.

(2) These terms include books of account, vouchers, documents, canceled checks, payrolls, correspondence, records of purchase(s) or sale(s), accounts payable, accounts receivable, and records of personnel, or agents, or consignees, customers, equipment, production or import activities, and other business papers.

(l) *Sale.*

(1) “Sale” means any transaction of any nature, wholesale, retail, or otherwise, whereby possession of a controlled dangerous substance is or is to be transferred by any means whatsoever for any consideration past, present, or future.

(2) Consideration may be in the form of money, services, or property, or by exchange or barter, or pursuant to consignment.

(3) Sale also includes transfer by theft or gift.

(m) *Taxpayer.*

“Taxpayer” means any person upon whom a tax is assessed under this subtitle.

(n) *Use, storage, or consumption.*

“Use, storage, or consumption” means the exercise by any person of any right or power over controlled dangerous substances, or any keeping or retention within Baltimore City for any purpose of controlled dangerous substances sold either within or without Baltimore City. (City Code, 1976/83, art. 28, §76.) (Ord. 86-687.)

§ 28-2. Tax imposed.

There is hereby levied and imposed a tax on each separate sale, or use, storage, or consumption of controlled dangerous substances within Baltimore City. (City Code, 1976/83, art. 28, §77(1st sen.)) (Ord. 86-687.)

§ 28-3. Rate of tax.

The tax rate is 15% of the value in money of the controlled substance as evidenced by the actual money or money value consideration for its sale, or use, storage, or consumption or by its street value at or about the time of the taxable event. (City Code, 1976/83, art. 28, §77(2nd sen.)) (Ord. 86-687.)

§ 28-4. Exemptions.

This subtitle does not apply to sales, use, storage, or consumption by any person who registers under or complies with Article 27, § 281 of the Maryland Code, or any person who otherwise complies with that section of the Code. The burden of proof of an exemption is upon the person claiming it. (City Code, 1976/83, art. 28, §79.) (Ord. 86-687.)

§ 28-5. Payment and assessment.

(a) *In general.*

The tax shall be paid by the person who sells, stores, consumes, or steals the controlled dangerous substances subject to the tax.

(b) *Taxable event.*

The tax is payable for each separate taxable event and every person who is a party to the event is jointly and severally liable for the payment of the tax, but the tax is not duplicated when there is in fact only 1 transaction or event.

(c) *Documentation of value.*

If written records, receipts, or other evidence or information demonstrate that controlled substances have been sold, used, stored, or consumed by any person, the Director may use such information to establish the amount of and to collect tax under the provisions of this subtitle.

(d) *Payment.*

- (1) The tax shall be due upon the event of the sale, use, storage, or consumption of taxable controlled dangerous substances and is payable to the Director within 15 days following the taxable event.
- (2) Payment, or satisfaction, of the assessed tax shall be made by certified or cashier's check, money order or bank draft made payable to the Director.

(e) *Receipts.*

The Director shall, upon request, issue receipts for all sums collected pursuant to this subtitle. (*City Code, 1976/83, art. 28, §78(a), (b), (e) - (g).*) (*Ord. 86-687.*)

§ 28-6. Interest and civil penalties.

All taxes upon controlled substances which are not paid within 15 days following the due date shall be overdue, and from and after that date they shall bear, until paid:

- (1) interest at the rate of 2.5% for each month and fraction thereof; and

- (2) penalty at the rate of 2.5% for each month and fraction thereof.

(*City Code, 1976/83, art. 28, §78(h).*) (*Ord. 86-687.*)

§ 28-7. Tax made a lien.

(a) *Findings and declaration.*

Because of the nature of the transactions involved in the illegal sale, use, storage, or consumption of controlled dangerous substances, the Mayor and City Council find and declare that the collection of the tax imposed by this subtitle on such transactions is in jeopardy and requires the immediate attachment of a lien therefor from the time the tax is payable, subject to the revisions and appeals procedure provided.

(b) *Tax a lien.*

The tax imposed under this subtitle, and all increases, interest, and penalties thereon shall be a lien upon all the property, real and/or personal, of any person liable to pay the same to the City from and after the time that the tax is due and payable as provided herein.

(c) *Recordation.*

Notice of such lien shall be filed by the Director with the Clerk of the Circuit Court for Baltimore City or the Clerk of the Circuit Court of the county in which the property may be located, who shall accurately and promptly record and index all such notices of lien by entering such lien in the judgment docket of the court, stating the name of the delinquent taxpayer, the amount of the lien and the date thereof.

(d) *Effect.*

(1) The lien provided for in this section shall have the full force and effect of a lien of judgment.

(2) Unless another date is specified by law, the lien arising at the date of nonpayment as in this section specified and provided for, shall continue with the same force and effect as a judgment lien.

(3) Any such lien on personal property shall not be effective as against an innocent purchaser for value unless the personal property has been levied upon by an officer of a court.

(City Code, 1976/83, art. 28, §80.) (Ord. 86-687.)

§ 28-8. Assessment presumed valid and correct.(a) *In general.*

The tax, as assessed by the Director, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity.

(b) *Director's statement prima facie evidence.*

Any statement filed by the Director with the clerk of court, or any other certificate by the Director of the amount of tax and penalties as determined or assessed by him, shall be admissible as evidence and shall establish prima facie the facts that are set forth therein.

(City Code, 1976/83, art. 28, §82.) Ord. 86-687.)

§ 28-9. Collections.(a) *Director to give notice.*

(1) When the tax is not timely paid, the Director shall give notice of assessment to each person deemed liable for the unpaid tax, and any penalty and interest due, stating the amount owed and demanding payment thereof, provided that the Director under reasonable standards, uniformly applied, determines that the giving of the notice and the collection of the amount due are practicable.

(2) Failure to give or receive notice does not relieve a taxpayer of the obligation and liability for payment of any tax, interest, and penalty due.

(b) *Limitations.*

Notice of assessment and notice of lien under this subtitle shall be given not more than 3 years:

(1) after the sale, use, storage, or consumption of the controlled substances;

(2) after the seizure of records pursuant to an investigation of sales, use, storage, or consumption of such substances; or

- (3) after the disposition of criminal charges or arrest or indictment resulting from the sale, use, storage, or consumption of such substances,

whichever occurrence is latest in time.

(City Code, 1976/83, art. 28, §78(c), (d).) (Ord. 86-687.)

§ 28-10. Refunds.

- (a) *In general.*

Any taxpayer may apply to the Director for refund of tax alleged to have been erroneously, illegally, or unconstitutionally paid.

- (b) *Application.*

Application for refund must:

- (1) be made in writing;
- (2) be made within 1 year of the payment of the tax; and
- (3) state the reasons why the taxpayer believes a refund is due.

- (c) *Director to act promptly.*

The Director:

- (1) shall act upon such application promptly; and
- (2) shall provide notice to the taxpayer of the action.

(City Code, 1976/83, art. 28, §84.) (Ord. 86-687.)

§ 28-11. Revisions.

- (a) *In general.*

Any taxpayer may apply in writing, stating the basis therefor, to the Director for a revision of the tax assessed against him.

- (b) *When to be made.*

- (1) Any request for a revision must be made within 15 days of the date on which the Director notifies the taxpayer of tax due pursuant to this subtitle.
- (2) If no application for revision is made within the 15 day period, the assessment is final. No application for revision shall be considered by the Director unless made within that period.

(c) *Director to act promptly.*

The Director:

(1) shall act upon such application promptly; and

(2) shall provide notice to the taxpayer of the action.

(*City Code, 1976/83, art. 28, §85.*) (*Ord. 86-687.*)

§ 28-12. Appeal of decision on refund or revision.

(a) *Administrative appeal.*

(1) Within 15 days of notice of action by the Director on the taxpayer's application for revision or refund of an assessment, the taxpayer may request a formal hearing before the Director.

(2) The Director shall grant a hearing and shall give the taxpayer reasonable notice of the time, date, and place of the hearing.

(b) *Conduct of hearing.*

The Director shall have the power:

(1) to administer oaths; and

(2) to prescribe all necessary and reasonable rules for the conduct of a hearing.

(c) *Director's decision.*

(1) After a hearing, the Director:

(i) shall make a determination concerning any revision of the assessment, or grant or refuse a refund; and

(ii) shall provide notice to the taxpayer of this determination.

(2) In addition, the Director may levy a deficiency assessment against the taxpayer for any additional taxes found to be due.

(d) *Judicial review.*

(1) A taxpayer dissatisfied with the Director's final determination may seek judicial review of that decision by petition to the Circuit Court for Baltimore City in accordance with the Maryland Rules of Procedure.

(2) A party to the judicial review may appeal the court's final judgment to the Court of Special Appeals in accordance with the Maryland Rules of Procedure.

(*City Code, 1976/83, art. 28, §86.*) (*Ord. 86-687; Ord. 04-672.*)

§ 28-13. Confidentiality of information.(a) *Testimony immunity.*

- (1) The testimony or evidence of any person compelled to testify in a tax proceeding under this subtitle shall not be used against that person in any criminal proceeding, except for perjury in the tax proceeding.
- (2) The Director shall not release the compelled testimony of any person to any law enforcement agency for direct or derivative use, except for perjury.
- (3) However, if by independent evidence a law enforcement agency makes a criminal case against a compelled witness using evidence independent of and not derived from the compelled testimony, such law enforcement agency shall be free to proceed with the case.

(b) *Records not to be disclosed.*

- (1) It shall be unlawful for the Director or any other public official or employee to divulge or otherwise make known in any manner any particular set forth or disclosed in any report or return required by this subtitle or records used to determine the amount of assessment except in connection with a proceeding involving taxes due under this subtitle or any state or federal law.
- (2) However, any records, receipts, or other information seized by any law enforcement officer or taxation official in any investigation may be returned to the seizing law enforcement or taxation agency upon request for said return.

(c) *Publication of statistics.*

Nothing herein shall be construed to prohibit the publication of statistics so classified as to prevent the identity of particular reports or returns and the items thereof.

(City Code, 1976/83, art. 28, §83.) (Ord. 86-687.)

§ 28-14. Liability not abated by death.

Taxes, penalties, and interest assessed under this subtitle shall not abate by death of taxpayer.

(City Code, 1976/83, art. 28, §78(i).) (Ord. 86-687.)

§ 28-15. Rules and regulations.

The Director may promulgate such regulations and procedures as are necessary or appropriate to administer this subtitle.

City Code, 1976/83, art. 28, §87(1st sen.).) (Ord. 86-687.)

§ 28-16. Judicial assistance.

The Director may apply to a court of competent jurisdiction for an order compelling such testimony, records, or evidence under proper safeguards as the court may deem necessary or appropriate to carry out the provisions of this subtitle.

(City Code, 1976/83, art. 28, §87(2nd sen.)) (Ord. 86-687.)

§ 28-17. Compromise of claims.**(a) In general.**

Whenever it is ascertained by the Director or the City Solicitor that a lesser sum may be collected than the total taxes, penalties, and interest due, the City Solicitor shall be authorized to:

- (1) compromise the claim;
- (2) accept the lesser sum on behalf of the Director; and
- (3) issue a release of the claim or satisfaction of the judgment as though the same had been paid in full.

(b) Limitation.

Such compromise is authorized only in such cases where the City Solicitor and the Director concur that the full amount would be uncollectible.

(City Code, 1976/83, art. 28, §88.) (Ord. 86-687.)

§ 28-18. {Reserved}**§ 28-19. Criminal and civil penalties.****(a) In general.**

Evasion of payment or the willful refusal on the part of any person to pay taxes over to the Director as required by this subtitle shall be a misdemeanor and upon conviction the person is subject:

- (1) to imprisonment not exceeding 12 months or to a fine not exceeding \$1,000, or both; and
- (2) additionally, to a civil penalty of 100% of the amount of the assessment, in addition to the actual assessment provided by this subtitle.

(b) Evidence of willful refusal.

Willful refusal is evidenced by failure to pay the full amount due within 15 days of the date of the assessment.

(City Code, 1976/83, art. 28, §81.) (Ord. 86-687.)