

(13) "Tax increment" means for any tax year the amount by which the assessable base as of January 1 preceding that tax year exceeds the original taxable value.

(14) "Tax year" means the period from July 1 of a calendar year through June 30 of the next calendar year.

(c) All proceeds received from any bonds issued and sold pursuant to this section shall be applied solely for:

(1) the cost of purchasing, leasing, condemning, or otherwise acquiring land or other property, or an interest in them, in the designated development district area or as necessary for a right-of-way or other easement to or from the development district area;

(2) site removal;

(3) surveys and studies;

(4) relocation of businesses or residents;

(5) installation of utilities, construction of parks and playgrounds, and other necessary improvements including streets and roads to, from, or within the development district, parking, lighting, and other facilities;

(6) construction or rehabilitation of buildings provided that such buildings are to be devoted to a governmental use or purpose;

(7) reserves and capitalized interest on the bonds;

(8) necessary costs of issuing bonds; and

(9) payment of the principal and interest on loans, money advanced, or indebtedness incurred by the Mayor and City Council of Baltimore for any of the purposes set out in this section.

(d) Before issuing any bonds under this section, the Mayor and City Council of Baltimore shall:

(1) designate by ordinance a contiguous area within the City of Baltimore as a "development district";

(2) receive from the Supervisor of Assessments a certification as to the amount of the original assessable base, or if applicable, the adjusted assessable base; and

(3) [pledge] PROVIDE that until the bonds have been fully paid or thereafter, the property taxes on real property within the development district shall be divided as follows:

(i) that portion of the taxes which would be produced by the rate at which taxes levied each year by the Mayor and City Council of Baltimore upon the original taxable value shall be allocated to and when collected paid into the funds of