

SENATE BILL 431

C8, L4

(0lr1325)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Charles County Senators**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Charles County – Tax Increment Financing and Special Taxing Districts**

3 FOR the purpose of authorizing Charles County to use the proceeds from the issuance of
4 certain tax increment financing bonds for certain purposes in the Waldorf Urban
5 Redevelopment Corridor; authorizing Charles County to establish a special taxing
6 district, impose ad valorem or special taxes, and issue bonds to provide financing,
7 refinancing, or reimbursement for certain costs; making certain financing,
8 refinancing, and reimbursement contingent on the review and approval of the Board
9 of County Commissioners of Charles County; authorizing Charles County, in
10 exercising certain authority, to establish minority business enterprise participation
11 goals for certain development projects; and generally relating to tax increment
12 financing and special taxing districts in Charles County.

13 BY repealing and reenacting, without amendments,
14 Article – Economic Development

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



Section 12–203(a), 12–204(a), 12–207(a), and 12–209(a)
Annotated Code of Maryland
(2018 Replacement Volume and 2019 Supplement)

BY adding to
Article – Economic Development
Section 12–207(g)
Annotated Code of Maryland
(2018 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,
Article – Local Government
Section 21–503(a) and 21–504(a)
Annotated Code of Maryland
(2013 Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,
Article – Local Government
Section 21–521
Annotated Code of Maryland
(2013 Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Economic Development

12–203.

(a) Before issuing bonds, the governing body of the political subdivision shall:

(1) by resolution:

(i) designate a contiguous area within its jurisdiction as a
development district;

(ii) identify an area that has been designated a sustainable
community; or

(iii) identify an area that has been designated a RISE zone;

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

(3) pledge that until the bonds are fully paid, or a longer period, the real
property taxes in the development district, a RISE zone, or a sustainable community shall
be divided as follows:

1 (i) the portion of the taxes that would be produced at the current tax
2 rate on the original taxable value base shall be paid to the respective taxing authorities in
3 the same manner as taxes on other property are paid; and

4 (ii) the portion of the taxes on the tax increment that normally would
5 be paid into the general fund of the political subdivision shall be paid into the special fund
6 established under § 12–208 of this subtitle and applied in accordance with § 12–209 of this
7 subtitle.

8 12–204.

9 (a) Notwithstanding any limitation of law, an issuer may issue bonds from time
10 to time to finance the development of an industrial, commercial, or residential area.

11 12–207.

12 (a) Except as provided in subsections (b) and (e) of this section, bond proceeds
13 may be used only:

14 (1) to buy, lease, condemn, or otherwise acquire property, or an interest in
15 property:

16 (i) in the development district, a RISE zone, or a sustainable
17 community; or

18 (ii) needed for a right-of-way or other easement to or from the
19 development district, a RISE zone, or a sustainable community;

20 (2) for site removal;

21 (3) for surveys and studies;

22 (4) to relocate businesses or residents;

23 (5) to install utilities, construct parks and playgrounds, and for other
24 needed improvements including:

25 (i) roads to, from, or in the development district;

26 (ii) parking; and

27 (iii) lighting;

28 (6) to construct or rehabilitate buildings for a governmental purpose or use;

29 (7) for reserves or capitalized interest;

(8) for necessary costs to issue bonds; and

(9) to pay the principal of and interest on loans, advances, or indebtedness that a political subdivision incurs for a purpose specified in this section.

(G) IN ADDITION TO THE PURPOSES LISTED IN SUBSECTION (A) OF THIS SECTION, THE PROCEEDS FROM BONDS ISSUED BY CHARLES COUNTY MAY BE USED IN THE WALDORF URBAN REDEVELOPMENT CORRIDOR (WURC):

(1) FOR CONVENTION CENTERS, CONFERENCE CENTERS, OR VISITORS' CENTERS;

(2) TO MAINTAIN INFRASTRUCTURE IMPROVEMENTS, CONVENTION CENTERS, CONFERENCE CENTERS, OR VISITORS' CENTERS; AND

(3) TO MARKET DEVELOPMENT DISTRICT FACILITIES AND OTHER IMPROVEMENTS.

12–209.

(a) Subject to subsection (c) of this section, the special fund for the development district, the RISE zone, or the sustainable community may be used for any of the following purposes as determined by the governing body of the political subdivision:

(1) a purpose specified in § 12–207 of this subtitle;

(2) accumulated to pay debt service on bonds to be issued later;

(3) payment or reimbursement of debt service, or payments under an agreement described in subsection (b) of this section, that the political subdivision is obliged under a general or limited obligation to pay, or has paid, on or relating to bonds issued by the State, a political subdivision, or the revenue authority of Prince George's County if the proceeds were used for a purpose specified in § 12–207 of this subtitle; or

(4) payment to the political subdivision for any other legal purpose.

Article – Local Government

21–503.

(a) For any purpose stated in § 21–504(a)(1) of this subtitle, a county may:

(1) establish a special taxing district;

(2) impose ad valorem or special taxes; and

(3) issue bonds.

21-504.

(a) The purpose of the authority granted under this subtitle is to:

(1) finance, refinance, or reimburse the cost of establishing, acquiring, designing, constructing, altering, or extending adequate infrastructure improvements as necessary for the development and use of land in any defined geographic region in the county, including storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit facilities, and solid waste facilities; and

(2) provide a source of funding for payment of costs of:

(i) infrastructure improvements located in or supporting a transit-oriented development or a State hospital redevelopment; and

(ii) operating and maintaining infrastructure improvements located in or supporting a transit-oriented development or a State hospital redevelopment.

21-521.

(a) Charles County may exercise the authority granted under this subtitle to provide financing, refinancing, or reimbursement of costs for the purposes under § 21-504(a) of this subtitle relating to the development of resort hotels and conference centers in a waterfront planned community.

(b) (1) In addition to imposing ad valorem or special taxes under this subtitle, Charles County may impose a hotel rental tax in a special taxing district to provide financing, refinancing, or reimbursement of costs for the purposes under § 21-504(a) of this subtitle relating to the development of resort hotels and conference centers in a waterfront planned community.

(2) The taxes provided under this subtitle for payment of bonds and pledged to the special fund may include the hotel rental tax authorized under this subsection.

(3) The hotel rental tax authorized under this subsection is in addition to the hotel rental tax authorized under Title 20, Subtitle 4 of this article.

(4) The rate of the hotel rental tax authorized under this subsection may not exceed the rate of the hotel rental tax imposed under Title 20, Subtitle 4 of this article in effect on the day the governing body of Charles County establishes a special taxing district under this subtitle.

(5) The proceeds from the hotel rental tax authorized under this subsection may be used only for the purposes authorized under this subtitle.

(6) Charles County may not impose the hotel rental tax authorized under this subsection outside a special taxing district established under this subtitle.

(C) **(1)** CHARLES COUNTY MAY EXERCISE THE AUTHORITY GRANTED UNDER THIS SUBTITLE TO PROVIDE FINANCING, REFINANCING, OR REIMBURSEMENT FOR THE COST OF:

~~(1)~~ **(I)** CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS;

~~(2)~~ **(II)** MAINTAINING INFRASTRUCTURE IMPROVEMENTS, CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS; AND

~~(3)~~ **(III)** MARKETING SPECIAL TAXING DISTRICT FACILITIES AND OTHER IMPROVEMENTS.

(2) ANY FINANCING, REFINANCING, OR REIMBURSEMENT PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE CONTINGENT ON THE REVIEW AND APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF CHARLES COUNTY.

(3) IN EXERCISING ITS AUTHORITY UNDER PARAGRAPH (1) OF THIS SUBSECTION, CHARLES COUNTY MAY ESTABLISH MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS FOR EACH DEVELOPMENT PROJECT WHOLLY OR PARTLY FINANCED THROUGH BONDS ISSUED UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.