

HOUSE BILL 1198

C8, L4, L5

6lr0833

By: **Prince George's County Delegation and Montgomery County Delegation**

Introduced and read first time: February 12, 2016

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2016

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County – Maryland–National Capital Park and Planning**
3 **Commission – Extraordinary Development District**

4 **PG/MC 109–16**

5 FOR the purpose of authorizing the designation of an extraordinary development district
6 for certain purposes; authorizing the Maryland–National Capital Park and Planning
7 Commission to ~~pledge~~ enter into an agreement to pay all or a portion of certain
8 property taxes to Prince George's County for deposit into a certain special fund for
9 an extraordinary development district under certain circumstances; providing that
10 a certain agreement regarding an extraordinary development district must be
11 executed by the Commission and the governing body of Prince George's County;
12 prohibiting the Commission from being an obligor for certain bonds; providing that
13 the Commission may not enter into a certain agreement regarding an extraordinary
14 development district until certain resolutions are adopted ~~or approved~~; defining a
15 certain term; altering a certain definition; and generally relating to extraordinary
16 development districts in Prince George's County.

17 BY repealing and reenacting, with amendments,
18 Article – Economic Development
19 Section 12–201 and 12–210
20 Annotated Code of Maryland
21 (2008 Volume and 2015 Supplement)

22 BY adding to

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.



1 Article – Land Use
2 Section 18–310
3 Annotated Code of Maryland
4 (2012 Volume and 2015 Supplement)

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

7 **Article – Economic Development**

8 12–201.

9 (a) In this subtitle the following words have the meanings indicated.

10 (b) “Adjusted assessable base” means the fair market value of real property that
11 qualifies for a farm or agricultural use under § 8–209 of the Tax – Property Article, without
12 regard to the agricultural use assessment for the property as of January 1 of the year
13 preceding the effective date of the resolution creating the development district under §
14 12–203 of this subtitle.

15 (c) “Assessable base” means the total assessable base, as determined by the
16 Supervisor of Assessments or the governing body in accordance with § 12–203(b) of this
17 subtitle, of all real property subject to taxation in a development district or a sustainable
18 community.

19 (d) (1) “Assessment ratio” means a real property tax assessment ratio,
20 however designated or calculated, that is used under applicable general law to determine
21 the assessable base.

22 (2) “Assessment ratio” includes the assessment percentage specified under
23 § 8–103(c) of the Tax – Property Article.

24 (e) “Bond” means a revenue bond, note, or other similar instrument issued in
25 accordance with this subtitle by:

26 (1) a political subdivision; or

27 (2) the revenue authority of Prince George’s County.

28 (f) “Chief executive” means the president, chair, mayor, or other chief executive
29 officer of a political subdivision or the revenue authority of Prince George’s County.

30 (g) “Development” includes new development, redevelopment, revitalization, and
31 renovation.

32 (h) (1) “Development district” means a contiguous area designated by a
33 resolution.

1 **(2) “DEVELOPMENT DISTRICT” INCLUDES AN EXTRAORDINARY**
2 **DEVELOPMENT DISTRICT.**

3 **(I) “EXTRAORDINARY DEVELOPMENT DISTRICT” MEANS A DEVELOPMENT**
4 **DISTRICT THAT:**

5 **(1) IS DESIGNATED AS SUCH BY RESOLUTION; AND**

6 **(2) CONTAINS AT LEAST 50 ACRES, ON ALL OR PART OF WHICH A**
7 **FEDERAL LAW ENFORCEMENT AGENCY WILL BE LOCATED.**

8 **[(i)] (J)** “Issuer” means a political subdivision or the revenue authority of Prince
9 George’s County that issues a bond under this subtitle.

10 **[(j)] (K)** “MEDCO obligation” means a bond, note, or other similar instrument
11 that the Maryland Economic Development Corporation issues under authority other than
12 this subtitle to finance the cost of infrastructure improvements located in or supporting a
13 transit-oriented development, a sustainable community, or a State hospital
14 redevelopment.

15 **[(k)] (L)** “Original base” means the assessable base:

16 (1) as of January 1 of the year preceding the effective date of the resolution
17 creating the development district under § 12–203 of this subtitle; or

18 (2) if the political subdivision determined the original base in accordance
19 with § 12–203(b) of this subtitle, the base value as established in the resolution.

20 **[(l)] (M)** “Original full cash value” means the dollar amount that is determined
21 by dividing the original base by the assessment ratio used to determine the original base.

22 **[(m)] (N)** “Original taxable value” means for any tax year the dollar amount that
23 is:

24 (1) the adjusted assessable base, if an adjusted assessable base applies; or

25 (2) in all other cases, the lesser of:

26 (i) the product of multiplying the original full cash value by the
27 assessment ratio applicable to that tax year; and

28 (ii) the original base.

29 **[(n)] (O)** “Political subdivision” means a county or a municipal corporation.

1 **[(n-1)] (P)** “RISE zone” means an area designated as a Regional Institution
2 Strategic Enterprise zone under § 5–1404 of this article.

3 **[(o)] (Q)** “State hospital redevelopment” means any combination of private or
4 public commercial, residential, or recreational uses, improvements, and facilities that:

5 (1) is part of a comprehensive coordinated development plan or strategy
6 involving:

7 (i) property that was occupied formerly by a State facility, as
8 defined in § 10–101 of the Health – General Article, or a State residential center, as defined
9 in § 7–101 of the Health – General Article; or

10 (ii) property that is adjacent or reasonably proximate to property
11 that was occupied formerly by a State facility, as defined in § 10–101 of the Health –
12 General Article, or a State residential center, as defined in § 7–101 of the Health – General
13 Article;

14 (2) in accordance with design development principles, maximizes use of the
15 property by those constituencies it is intended to serve; and

16 (3) is designated as a State hospital redevelopment by:

17 (i) the Smart Growth Subcabinet established under § 9–1406 of the
18 State Government Article; and

19 (ii) the local government or multicounty agency with land use and
20 planning responsibility for the relevant area.

21 **[(p)] (R)** (1) “Sustainable community” has the meaning stated in § 6–201 of
22 the Housing and Community Development Article.

23 (2) “Sustainable community” includes a portion of a sustainable
24 community.

25 **[(q)] (S)** “Tax increment” means for any tax year the amount by which the
26 assessable base as of January 1 of the preceding tax year exceeds the original base taxable
27 value divided by the assessment ratio used to determine the original taxable value.

28 **[(r)] (T)** “Tax year” means the period from July 1 of a calendar year through
29 June 30 of the next calendar year.

30 **[(s)] (U)** “Transit-oriented development” has the meaning stated in § 7–101 of
31 the Transportation Article.

32 12–210.

1 (a) (1) Subject to paragraph (2) of this subsection, the governing body of a
 2 political subdivision that is not the issuer may pledge under an agreement that its property
 3 taxes levied on the tax increment shall be paid into the special fund for the development
 4 district, a RISE zone, or a sustainable community.

5 (2) The agreement shall:

6 (i) be in writing;

7 (ii) be executed by the governing bodies of the issuer and the political
 8 subdivision making the pledge; and

9 (iii) run to the benefit of and be enforceable on behalf of any
 10 bondholder.

11 (3) (I) THIS PARAGRAPH APPLIES ONLY IN PRINCE GEORGE'S
 12 COUNTY.

13 (II) SUBJECT TO § 18-310 OF THE LAND USE ARTICLE, THE
 14 MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION MAY ~~PLEDGE~~
 15 ~~UNDER~~ ENTER INTO AN AGREEMENT THAT ITS WITH PRINCE GEORGE'S COUNTY TO
 16 PAY ALL OR A PORTION OF THE PROPERTY TAXES LEVIED BY THE COUNTY UNDER §§
 17 18-304, 18-306, AND 18-307 OF THE LAND USE ARTICLE ON THE TAX INCREMENT
 18 IN AN EXTRAORDINARY DEVELOPMENT DISTRICT IN ~~PRINCE GEORGE'S COUNTY~~
 19 ~~SHALL BE PAID~~ THE COUNTY TO THE COUNTY FOR DEPOSIT INTO A SPECIAL FUND
 20 FOR THE EXTRAORDINARY DEVELOPMENT DISTRICT.

21 (III) THE AGREEMENT AUTHORIZED UNDER SUBPARAGRAPH (II)
 22 OF THIS PARAGRAPH SHALL:

23 1. BE IN WRITING; AND

24 2. BE EXECUTED BY THE GOVERNING BODY OF PRINCE
 25 GEORGE'S COUNTY AND, ON PROPER AUTHORIZATION, THE MARYLAND-NATIONAL
 26 CAPITAL PARK AND PLANNING COMMISSION;~~AND~~

27 ~~3. RUN TO THE BENEFIT OF AND BE ENFORCEABLE ON~~
 28 ~~BEHALF OF ANY BONDHOLDER.~~

29 (IV) THE MARYLAND-NATIONAL CAPITAL PARK AND
 30 PLANNING COMMISSION MAY NOT BE AN OBLIGOR FOR ANY BONDS ISSUED BY
 31 PRINCE GEORGE'S COUNTY FOR AN EXTRAORDINARY DEVELOPMENT DISTRICT.

1 (b) The governing body of Prince George's County may also pledge hotel rental
2 tax revenues to the special fund.

3 (c) The governing body of a political subdivision, including the issuer, may pledge
4 by or under a resolution, including by an agreement with the issuer, as applicable, that
5 alternative local tax revenues generated within, or that are otherwise determined to be
6 attributable to, a development district that is a transit-oriented development, a RISE zone,
7 a sustainable community, or a State hospital redevelopment be paid, as provided in the
8 resolution, into the special fund to:

9 (1) secure the payment of debt service on bonds or MEDCO obligations; or

10 (2) be applied to the other purposes stated in § 12-209 of this subtitle.

11 Article – Land Use

12 18-310.

13 **THE COMMISSION MAY NOT ENTER INTO AN AGREEMENT ~~TO PLEDGE ITS~~**
14 **~~PROPERTY TAXES~~ WITH PRINCE GEORGE'S COUNTY TO PAY ALL OR A PORTION OF**
15 **~~THE PROPERTY TAXES LEVIED BY THE COUNTY UNDER §§ 18-304, 18-306, AND~~**
16 **~~18-307 OF THIS SUBTITLE ON THE TAX INCREMENT IN AN EXTRAORDINARY~~**
17 **~~DEVELOPMENT DISTRICT IN THE COUNTY TO THE COUNTY FOR DEPOSIT INTO A~~**
18 **SPECIAL FUND FOR AN EXTRAORDINARY DEVELOPMENT DISTRICT UNDER § 12-210**
19 **OF THE ECONOMIC DEVELOPMENT ARTICLE UNTIL:**

20 (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY HAS
21 ADOPTED A RESOLUTION DESIGNATING THE EXTRAORDINARY DEVELOPMENT
22 DISTRICT; AND

23 (2) THE ~~PLANNING BOARD OF PRINCE GEORGE'S COUNTY~~
24 ~~COMMISSION HAS APPROVED~~ ADOPTED A RESOLUTION ~~IN SUPPORT OF~~ APPROVING
25 THE AGREEMENT.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
27 1, 2016.