

Chapter 304

(House Bill 1198)

AN ACT concerning

Prince George’s County – Maryland–National Capital Park and Planning Commission – Extraordinary Development District

PG/MC 109–16

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

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

BY adding to
Article – Land Use
Section 18–310
Annotated Code of Maryland
(2012 Volume and 2015 Supplement)

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

Article – Economic Development

12–201.

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

(b) “Adjusted assessable base” means the fair market value of real property that qualifies for a farm or agricultural use under § 8–209 of the Tax – Property Article, without

regard to the agricultural use assessment for the property as of January 1 of the year preceding the effective date of the resolution creating the development district under § 12–203 of this subtitle.

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

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

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

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

- (1) a political subdivision; or
- (2) the revenue authority of Prince George’s County.

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

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

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

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

(i) **“EXTRAORDINARY DEVELOPMENT DISTRICT” MEANS A DEVELOPMENT DISTRICT THAT:**

- (1) **IS DESIGNATED AS SUCH BY RESOLUTION; AND**
- (2) **CONTAINS AT LEAST 50 ACRES, ON ALL OR PART OF WHICH A FEDERAL LAW ENFORCEMENT AGENCY WILL BE LOCATED.**

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

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

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

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

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

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

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

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

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

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

(ii) the original base.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12–210.

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

(2) The agreement shall:

(i) be in writing;

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

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

(3) (I) THIS PARAGRAPH APPLIES ONLY IN PRINCE GEORGE’S COUNTY.

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

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

1. BE IN WRITING; AND

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

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

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

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

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

- (1) secure the payment of debt service on bonds or MEDCO obligations; or
- (2) be applied to the other purposes stated in § 12-209 of this subtitle.

Article – Land Use

18-310.

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

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

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

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

Approved by the Governor, April 26, 2016.