

# SENATE BILL 431

C8, L4

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CF HB 345

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By: **Charles County Senators**

Introduced and read first time: January 27, 2020

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2020

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## 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; and generally relating to tax  
8 increment financing and special taxing districts in Charles County.

9 BY repealing and reenacting, without amendments,  
10 Article – Economic Development  
11 Section 12–203(a), 12–204(a), 12–207(a), and 12–209(a)  
12 Annotated Code of Maryland  
13 (2018 Replacement Volume and 2019 Supplement)

14 BY adding to  
15 Article – Economic Development  
16 Section 12–207(g)  
17 Annotated Code of Maryland  
18 (2018 Replacement Volume and 2019 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article – Local Government  
21 Section 21–503(a) and 21–504(a)  
22 Annotated Code of Maryland

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### 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 (2013 Volume and 2019 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article – Local Government  
4 Section 21–521  
5 Annotated Code of Maryland  
6 (2013 Volume and 2019 Supplement)

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

9 **Article – Economic Development**

10 12–203.

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

12 (1) by resolution:

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

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

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

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

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

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

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

30 12–204.

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

1 12-207.

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

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

6 (i) in the development district, a RISE zone, or a sustainable  
7 community; or

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

10 (2) for site removal;

11 (3) for surveys and studies;

12 (4) to relocate businesses or residents;

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

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

16 (ii) parking; and

17 (iii) lighting;

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

19 (7) for reserves or capitalized interest;

20 (8) for necessary costs to issue bonds; and

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

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

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



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

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

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

6 21-521.

7 (a) Charles County may exercise the authority granted under this subtitle to  
8 provide financing, refinancing, or reimbursement of costs for the purposes under §  
9 21-504(a) of this subtitle relating to the development of resort hotels and conference centers  
10 in a waterfront planned community.

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

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

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

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

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

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

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

32 **(1) CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'**  
33 **CENTERS;**

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

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

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2020.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.