

HOUSE BILL 942

C8, C9

5lr2925

By: **Delegate Schindler**

Introduced and read first time: January 31, 2025

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 2025

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Tax Increment Financing – Noncontiguous Areas**

3 FOR the purpose of authorizing the designation of certain noncontiguous areas as
4 development districts; ~~authorizing the use of the Community Development~~
5 ~~Administration in the Department of Housing and Community Development to issue~~
6 ~~certain bonds;~~ requiring the governing body of a political subdivision to limit certain
7 redevelopment within a development district that is a noncontiguous blighted area
8 for a certain purpose; and generally relating to tax increment financing for
9 noncontiguous areas.

10 BY renumbering

11 Article – Economic Development
12 Section 12–201(e) through (u)
13 to be Section 12–201(f) through (v), respectively
14 Annotated Code of Maryland
15 (2024 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, without amendments,

17 Article – Economic Development
18 Section 12–201(a) and 12–202(a)
19 Annotated Code of Maryland
20 (2024 Replacement Volume and 2024 Supplement)

21 BY adding to

22 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.



1 Section 12–201(e) and 12–203(d)
 2 Annotated Code of Maryland
 3 (2024 Replacement Volume and 2024 Supplement)

4 BY repealing and reenacting, with amendments,
 5 Article – Economic Development
 6 Section 12–201(i)
 7 Annotated Code of Maryland
 8 (2024 Replacement Volume and 2024 Supplement)
 9 (As enacted by Section 1 of this Act)

10 BY repealing and reenacting, with amendments,
 11 Article – Economic Development
 12 Section ~~12–202, 12–203(a)(1), and 12–204~~ 12–203(a)(1)
 13 Annotated Code of Maryland
 14 (2024 Replacement Volume and 2024 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 16 That Section(s) 12–201(e) through (u) of Article – Economic Development of the Annotated
 17 Code of Maryland be renumbered to be Section(s) 12–201(f) through (v), respectively.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 19 as follows:

20 Article – Economic Development

21 12–201.

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

23 (E) “BLIGHTED AREA” MEANS AN AREA IN WHICH A MAJORITY OF
 24 BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE,
 25 DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THAT THEY NO LONGER JUSTIFY
 26 FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

27 (i) (1) “Development district” means a contiguous **OR NONCONTIGUOUS** area
 28 designated by a resolution.

29 (2) “Development district” includes an extraordinary development district.

30 12–202.

31 (a) (1) This subtitle is self-executing.

32 (2) A political subdivision need not amend its charter to exercise the
 33 powers granted by this subtitle.

~~(b) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS subtitle does not apply in Baltimore City.~~

~~(2) THE PROVISIONS OF §§ 12-203(A)(1) AND 12-204(G) OF THIS SUBTITLE PERTAINING TO NONCONTIGUOUS BLIGHTED AREAS APPLY IN BALTIMORE CITY.~~

~~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) SUBJECT TO SUBSECTION (D) OF THIS SECTION, DESIGNATE A NONCONTIGUOUS BLIGHTED AREA WITHIN ITS JURISDICTION AS A DEVELOPMENT DISTRICT;

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

~~[(iii)] (IV) identify an area that has been designated a RISE zone;~~

(D) IF THE DEVELOPMENT DISTRICT IS A NONCONTIGUOUS BLIGHTED AREA, THE GOVERNING BODY OF THE POLITICAL SUBDIVISION SHALL LIMIT THE REDEVELOPMENT OF NONCONTIGUOUS PARCELS WITHIN THE DEVELOPMENT DISTRICT FOR AFFORDABLE HOUSING THAT IS DEED RESTRICTED TO HOUSEHOLDS WHOSE HOUSEHOLD INCOME DOES NOT EXCEED 80% OF AREA MEDIAN INCOME.

~~12-204.~~

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

~~(b) To issue bonds under this subtitle, the governing body of a political subdivision shall adopt an ordinance that:~~

~~(1) describes the proposed undertaking; and~~

~~(2) states:~~

~~(i) that the governing body has complied with §§ 12-203 and 12-208(e) and (d) of this subtitle;~~

1 (ii) ~~the maximum principal amount of the bonds; and~~

2 (iii) ~~the maximum rate of interest on the bonds.~~

3 (e) ~~The ordinance may specify the following for bonds issued to carry out the~~
4 ~~financing of the proposed undertaking:~~

5 (1) ~~the principal amount;~~

6 (2) ~~the rate of interest;~~

7 (3) ~~the manner and terms of sale;~~

8 (4) ~~the time of execution, issuance, and delivery;~~

9 (5) ~~the form and denomination;~~

10 (6) ~~the manner in which, and the times and places at which principal and~~
11 ~~interest shall be paid;~~

12 (7) ~~conditions for redemption before maturity; or~~

13 (8) ~~other provisions consistent with this subtitle that the governing body of~~
14 ~~the political subdivision determines are necessary or desirable.~~

15 (d) ~~The revenue authority of Prince George's County may issue bonds in~~
16 ~~accordance with an ordinance adopted by the governing body of Prince George's County.~~

17 (e) ~~The ordinance may specify the items listed in subsection (c) of this section or~~
18 ~~may authorize:~~

19 (1) ~~the finance board to specify those items by resolution or ordinance; or~~

20 (2) ~~the chief executive to specify those items by executive order.~~

21 (f) (1) ~~Except as provided in paragraph (2) of this subsection, neither an~~
22 ~~ordinance authorizing the bonds nor an ordinance, resolution, or executive order issued,~~
23 ~~passed, or adopted under this section may be subject to referendum because of any other~~
24 ~~State or local law.~~

25 (2) ~~An ordinance that authorizes the pledge of the full faith and credit of a~~
26 ~~political subdivision to the payment of principal and interest on a bond is subject to any~~
27 ~~applicable right to referendum.~~

28 (G) ~~IF THE DEVELOPMENT DISTRICT IS A NONCONTIGUOUS BLIGHTED~~
29 ~~AREA, THE GOVERNING BODY OF A POLITICAL SUBDIVISION MAY UTILIZE THE~~
30 ~~COMMUNITY DEVELOPMENT ADMINISTRATION WITHIN THE DEPARTMENT OF~~

1 ~~HOUSING AND COMMUNITY DEVELOPMENT TO ISSUE BONDS AUTHORIZED BY AN~~
2 ~~ORDINANCE ADOPTED UNDER THIS SECTION.~~

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.