

By: Delegate Bissett

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Assigned to: Commerce and Government Matters
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Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 20, 1996

CHAPTER _____

1 AN ACT concerning

**2 Anne Arundel County, Carroll County, and Montgomery County - Special Taxing
3 Districts - Developing and Financing Infrastructure Improvements**

4 FOR the purpose of authorizing Anne Arundel County and Carroll County to exercise
5 certain powers concerning the creation of special taxing districts for developing and
6 financing infrastructure improvements under certain circumstances; authorizing
7 Anne Arundel County and Carroll County to impose ad valorem or special taxes
8 and to issue bonds under certain circumstances; requiring, prohibiting, and
9 authorizing certain provisions in a law enacted by Anne Arundel County exercising
10 the authority granted under this Act; removing certain limitations on the issuance of
11 certain bonds by Montgomery County under certain circumstances; requiring
12 certain bonds issued by Montgomery County to be treated as certain securities; and
13 generally relating to the authority of Anne Arundel County, Carroll County, and
14 Montgomery County to create special taxing districts, impose certaintaxes, and
15 issue certain debt for developing and financing infrastructure improvements.

16 BY repealing and reenacting, with amendments,
17 Article 24 - Political Subdivisions - Miscellaneous Provisions
18 Section 9-1301(b) and (c)
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1995 Supplement)

21 ~~BY repealing and reenacting, without amendments,~~
22 ~~Article 24 - Political Subdivisions - Miscellaneous Provisions~~
23 ~~Section 9-1301(e)~~
24 ~~Annotated Code of Maryland~~

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1 ~~(1994 Replacement Volume and 1995 Supplement)~~

2 BY repealing and reenacting, with amendments,
3 The Public Local Laws of Montgomery County
4 Section 20A-1(d)
5 Article 16 - Public Local Laws of Maryland
6 (1994 Edition and October 1995 Supplement, as amended)

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

9 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

10 9-1301.

11 (b) This section applies only to ANNE ARUNDEL COUNTY, CARROLL COUNTY,
12 Garrett County, Howard County, Prince George's County, Washington County, and
13 Wicomico County.

14 (c) (1) Subject to the provisions of this section, and for the purpose stated in
15 paragraph (2) of this subsection, the county may:

- 16 (i) Create a special taxing district;
- 17 (ii) Levy ad valorem or special taxes; and
- 18 (iii) Issue bonds and other obligations.

19 (2) ~~(I) The~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
20 PARAGRAPH, THE purpose of the authority granted under paragraph (1) of this
21 subsection is to provide financing, refinancing, or reimbursement for the cost of the
22 design, construction, establishment, extension, alteration, or acquisition of adequate
23 storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets,
24 sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit
25 facilities, solid waste facilities, and other infrastructure improvements as necessary,
26 whether situated within the special taxing district or outside the special taxing district if
27 the infrastructure improvement is reasonably related to other infrastructure
28 improvements within the special taxing district, for the development and utilization of the
29 land, each with respect to any defined geographic region within the county.

30 (II) IN CARROLL COUNTY, THE PURPOSE OF THE AUTHORITY
31 GRANTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS LIMITED TO PROVIDING
32 FINANCING, REFINANCING, OR REIMBURSEMENT FOR THE COST OF THE DESIGN,
33 CONSTRUCTION, ESTABLISHMENT, EXTENSION, ALTERATION, OR ACQUISITION OF
34 ADEQUATE SEWERS IN CARROLL COUNTY ELECTION DISTRICT 6, PRECINCT 1.

35 (3) A LAW ENACTED BY ANNE ARUNDEL COUNTY UNDER THE
36 AUTHORITY OF THIS SECTION:

37 (I) SHALL SPECIFY THE TYPES OF INFRASTRUCTURE AND
38 RELATED COSTS THAT MAY BE FINANCED;

39 (II) SHALL REQUIRE:

1 1. REASONABLE DISCLOSURE IN THE REAL ESTATE
2 CONTRACT TO BUYERS OF REAL PROPERTY WITHIN A SPECIAL TAXING DISTRICT OF
3 ANY SPECIAL ASSESSMENT, SPECIAL TAX, OR OTHER FEE OR CHARGE FOR WHICH
4 THE BUYER WOULD BE LIABLE DUE TO THE SPECIAL TAXING DISTRICT;

5 2. THAT A SELLER'S FAILURE TO PROVIDE THE DISCLOSURE
6 REQUIRED UNDER SUBITEM 1 OF THIS ITEM RENDERS THE CONTRACT VOIDABLE
7 AT THE OPTION OF THE BUYER BEFORE THE DATE OF SETTLEMENT; AND

8 3. THAT ADEQUATE DEBT SERVICE RESERVE FUNDS BE
9 MAINTAINED;

10 (III) MAY NOT ALLOW:

11 1. ACCELERATION OF ASSESSMENTS OR TAXES BY REASON
12 OF BOND DEFAULT; OR

13 2. AN INCREASE IN THE MAXIMUM SPECIAL ASSESSMENTS,
14 SPECIAL TAXES, OR OTHER FEES OR CHARGES APPLICABLE TO ANY INDIVIDUAL
15 PROPERTY IN THE EVENT THAT OTHER PROPERTY OWNERS BECOME DELINQUENT
16 IN THE PAYMENT OF A SPECIAL ASSESSMENT, SPECIAL TAX, OR OTHER FEE OR
17 CHARGE SECURING SPECIAL OBLIGATION DEBT ISSUED UNDER THIS SECTION; AND

18 (IV) MAY PROVIDE:

19 1. FOR EXEMPTIONS, DEFERRALS, AND CREDITS; AND

20 2. THAT A LIEN ATTACHES TO PROPERTY WITHIN A SPECIAL
21 TAXING DISTRICT TO THE EXTENT OF THAT PROPERTY OWNER'S OBLIGATION
22 UNDER ANY SPECIAL TAXING DISTRICT FINANCING.

23 **Article 16 - Montgomery County**

24 20A-1.

25 (d) (1) Prior to the issuance of debt under this section, the County shall notify
26 and consult with those organizations that rate the County's general obligation bonds in an
27 effort to ensure, to the extent reasonably possible, that the County's general obligation
28 bond ratings will not be adversely affected by the issuance of the special obligation debt.

29 (2) (I) [Bonds] EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (II) OF
30 THIS PARAGRAPH, BONDS may not be issued under this section unless the County
31 obtains a rating of investment grade for the bonds from at least one of the organizations
32 that rate the County's general obligation bonds.

33 (II) AN INVESTMENT GRADE RATING IS NOT REQUIRED FOR
34 BONDS THAT ARE SOLD TO NOT MORE THAN 35 PURCHASERS, EACH OF WHOM
35 CERTIFIES TO THE COUNTY AND THE PARTICIPATING UNDERWRITER THAT THE
36 PURCHASER;

37 1. HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL
38 AND BUSINESS MATTERS THAT IT IS CAPABLE OF EVALUATING THE MERITS AND
39 RISKS OF INVESTMENT IN THE BONDS; AND

