
By: **Delegates Hill, Patterson, and Valderrama**

Rules suspended

Introduced and read first time: March 30, 2002

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Special Taxing Districts and Tax Increment**
3 **Financing**

4 FOR the purpose of altering the definition of "bond" as it relates to special taxing
5 districts and tax increment financing to include a certain bond issued by the
6 revenue authority of Prince George's County; authorizing the County to pledge
7 certain tax revenues to certain funds; authorizing certain funds to be used for
8 certain purposes; and generally relating to special taxing districts and tax
9 increment financing in Prince George's County.

10 BY repealing and reenacting, with amendments,
11 Article 24 - Political Subdivisions - Miscellaneous Provisions
12 Section 9-1301(a)(2) and (c)
13 Annotated Code of Maryland
14 (2001 Replacement Volume)

15 BY repealing and reenacting, with amendments,
16 Article 41 - Governor - Executive and Administrative Departments
17 Section 14-202(f), 14-205, 14-208, and 14-209
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 2001 Supplement)

20 BY repealing and reenacting, with amendments,
21 The Public Local Laws of Prince George's County
22 Section 21A-108(a) and 21A-109(a)(1)
23 Article 17 - Public Local Laws of Maryland
24 (1999 Edition, and 2000 Supplement, as amended)

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

Article 24 - Political Subdivisions - Miscellaneous Provisions

9-1301.

(a) (2) (I) "Bond" means a special obligation bond, revenue bond, note, or other similar instrument issued by the county in accordance with this section.

(II) "BOND" INCLUDES A SPECIAL OBLIGATION BOND, REVENUE BOND, NOTE, OR SIMILAR INSTRUMENT ISSUED BY THE REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY.

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

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

(2) The purpose of the authority granted under paragraph (1) of this subsection is to provide financing, refinancing, or reimbursement for the cost of the design, construction, establishment, extension, alteration, or acquisition of adequate storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit facilities, solid waste facilities, and other infrastructure improvements as necessary, whether situated within the special taxing district or outside the special taxing district if the infrastructure improvement is reasonably related to other infrastructure improvements within the special taxing district, for the development and utilization of the land, each with respect to any defined geographic region within the county.

(3) A law enacted by Anne Arundel County under the authority of this section:

(i) Shall specify the types of infrastructure and related costs that may be financed;

(ii) Shall require:

1. Reasonable disclosure in the real estate contract to buyers of real property within a special taxing district of any special assessment, special tax, or other fee or charge for which the buyer would be liable due to the special taxing district;

2. That a seller's failure to provide the disclosure required under subitem 1 of this item renders the contract voidable at the option of the buyer before the date of settlement; and

3. That adequate debt service reserve funds be maintained;

- 1 (iii) May not allow:
- 2 1. Acceleration of assessments or taxes by reason of bond
- 3 default; or
- 4 2. An increase in the maximum special assessments, special
- 5 taxes, or other fees or charges applicable to any individual property in the event that
- 6 other property owners become delinquent in the payment of a special assessment,
- 7 special tax, or other fee or charge securing special obligation debt issued under this
- 8 section; and

- 9 (iv) May provide:
- 10 1. For exemptions, deferrals, and credits; and
- 11 2. That a lien attaches to property within a special taxing
- 12 district to the extent of that property owner's obligation under any special taxing
- 13 district financing.

14 (4) Charles County may exercise the authority granted under this

15 section only in commercial or light industrial zones.

16 (5) PRINCE GEORGE'S COUNTY MAY EXERCISE THE AUTHORITY

17 GRANTED IN THIS SUBSECTION TO:

- 18 (I) LEVY HOTEL RENTAL TAXES; AND
- 19 (II) PROVIDE FINANCING, REFINANCING, OR REIMBURSEMENT FOR
- 20 THE COSTS OF:
- 21 1. CONVENTION CENTERS, CONFERENCE CENTERS, AND
- 22 VISITORS' CENTERS;
- 23 2. INFRASTRUCTURE MAINTENANCE; AND
- 24 3. MARKETING THE SPECIAL TAXING DISTRICT.

25 **Article 41 - Governor - Executive and Administrative Departments**

26 14-202.

27 (f) (1) "Bonds" or "bond" means any revenue bonds or bond, notes or note, or

28 other similar instruments or instrument issued by any municipality or county

29 pursuant to and in accordance with this subtitle.

30 (2) "BONDS" OR "BOND" INCLUDES ANY REVENUE BOND, NOTES OR

31 NOTE, OR OTHER SIMILAR INSTRUMENTS OR INSTRUMENT ISSUED BY THE REVENUE

32 AUTHORITY OF PRINCE GEORGE'S COUNTY.

1 14-205.

2 (A) [All] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ALL
3 proceeds received from any bonds issued and sold pursuant to this subtitle shall be
4 applied solely for:

5 (1) The cost of purchasing, leasing, condemning, or otherwise acquiring
6 land or other property, or an interest in them, in the designated development district
7 area or as necessary for a right-of-way or other easement to or from the development
8 district area;

9 (2) Site removal;

10 (3) Surveys and studies;

11 (4) Relocation of businesses or residents;

12 (5) Installation of utilities, construction of parks and playgrounds, and
13 other necessary improvements including streets and roads to, from, or within the
14 development district, parking, lighting, and other facilities;

15 (6) Construction or rehabilitation of buildings provided that such
16 buildings are to be devoted to a governmental use or purpose;

17 (7) Reserves or capitalized interest;

18 (8) Necessary costs of issuing bonds; and

19 (9) Payment of the principal and interest on loans, money advanced, or
20 indebtedness incurred by a county or municipality, for any of the purposes set out in
21 this section.

22 (B) IN ADDITION TO THE AUTHORITY GRANTED IN SUBSECTION (A) OF THIS
23 SECTION, ALL PROCEEDS RECEIVED FROM ANY BONDS ISSUED AND SOLD BY THE
24 REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY PURSUANT TO THIS SUBTITLE
25 MAY BE APPLIED FOR:

26 (1) CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'
27 CENTERS;

28 (2) INFRASTRUCTURE MAINTENANCE; AND

29 (3) MARKETING THE DEVELOPMENT DISTRICT.

30 14-208.

31 (a) When no bonds authorized by this subtitle are outstanding with respect to
32 a development district and the governing body of the county or municipality so
33 determines, moneys in the special fund for that development district created
34 pursuant to § 14-206(3)(i) of this subtitle may be:

1 (1) Used for any of the purposes described in § 14-205 of this subtitle;

2 (2) Accumulated for payment of debt service on bonds subsequently
3 issued under this subtitle;

4 (3) Used to pay or to reimburse the county or municipality for debt
5 service which the county or municipality is obligated to pay or has paid (whether such
6 obligation is general or limited) on bonds issued by the State of Maryland, [or] any
7 agency, department, or political subdivision thereof, OR THE REVENUE AUTHORITY
8 OF PRINCE GEORGE'S COUNTY, the proceeds of which have been used for any of the
9 purposes specified in § 14-205 of this subtitle; or

10 (4) Paid to the county or municipality to provide funds to be used for any
11 legal purpose as may be determined by the county or municipality.

12 (b) [When] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,
13 WHEN any bonds authorized by this subtitle are outstanding with respect to a
14 development district and the governing body of the county or municipality so
15 determines, moneys in the special fund for that development district created
16 pursuant to § 14-206(3)(ii) of this subtitle may be used as provided in subsection (a)
17 of this section in any fiscal year by the county or municipality, but only to the extent
18 that:

19 (1) The amount in such special fund exceeds the unpaid debt service
20 payable on such bonds in such fiscal year and is not restricted so as to prohibit the use
21 of such moneys; and

22 (2) Such use is not prohibited by the ordinance authorizing the issuance
23 of such bonds.

24 (c) WHETHER OR NOT BONDS AUTHORIZED BY THIS SUBTITLE ARE
25 OUTSTANDING WITH RESPECT TO A DEVELOPMENT DISTRICT IN PRINCE GEORGE'S
26 COUNTY, IF THE PRINCE GEORGE'S COUNTY COUNCIL SO DETERMINES, MONEYS IN
27 THE SPECIAL FUND FOR THAT DEVELOPMENT DISTRICT CREATED PURSUANT TO
28 SECTION 14-206(3)(II) OF THIS SUBTITLE MAY BE:

29 (1) USED AS PROVIDED IN SUBSECTION (A) OF THIS SECTION; OR

30 (2) ASSIGNED OR PLEDGED TO THE PAYMENT OF DEBT SERVICE ON, OR
31 OTHERWISE AS ADDITIONAL SECURITY FOR, THE BONDS.

32 (D) The issuance of general obligation bonds pursuant to this section shall
33 comply with appropriate county or municipal charter requirements.

34 14-209.

35 (A) A county or municipality which is not the issuing body may pledge, by
36 written agreement, that its property taxes levied on the tax increment shall also be
37 paid into the special fund. Such agreements shall be between the governing bodies of

1 a county and a municipality. They shall run to the benefit of and be enforceable on
2 behalf of any bondholder.

3 (B) PRINCE GEORGE'S COUNTY MAY PLEDGE THAT HOTEL RENTAL TAX
4 REVENUES SHALL ALSO BE PAID INTO THE SPECIAL FUND.

5 **Article 17 - Prince George's County**

6 21A-108.

7 (a) The Authority may issue bonds for the purpose of financing or refinancing,
8 in whole or in part, the cost of any one or more of the projects undertaken by the
9 Authority INCLUDING BONDS ISSUED IN ACCORDANCE WITH § 9-1301 OF ARTICLE 24
10 OF THE ANNOTATED CODE AND TITLE 14, SUBTITLE 2 OF ARTICLE 41 OF THE
11 ANNOTATED CODE.

12 21A-109.

13 (a) As specified by local law, and to the extent not inconsistent with any
14 constitutional or Charter provision or any public general or public local law, the
15 County may:

16 (1) Assign, pledge, grant, contribute, or provide to the Authority any
17 taxes, INCLUDING HOTEL RENTAL TAXES, rates, rentals, fees, charges, or other funds
18 held or receivable by the County for any purpose, including as additional security for
19 any bonds of the Authority; and

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2002.