

SENATE BILL 903

Unofficial Copy
Q8

2002 Regular Session
2lr3052
CF 2lr3059

By: **Senators Lawlah and Currie (By Request)**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 30, 2002

Assigned to: Rules

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), (c), and (g)
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(a), 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 10-269(a)(2) and (b), 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. MAINTENANCE OF INFRASTRUCTURE IMPROVEMENTS,
 - 24 CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS; AND
 - 25 3. MARKETING THE SPECIAL TAXING DISTRICT FACILITIES
 - 26 AND OTHER IMPROVEMENTS.

27 (g) (1) [When] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS

28 SUBSECTION, WHEN no bonds authorized by this section are outstanding with respect

29 to a special taxing district:

30 [(1)] (I) The special taxing district shall be terminated; and

31 [(2)] (II) Any moneys remaining in the special fund on the date of

32 termination of the special taxing district shall be paid to the general fund of the

33 county.

34 (2) WHEN NO BONDS AUTHORIZED BY THIS SECTION ARE OUTSTANDING

35 WITH RESPECT TO A SPECIAL TAXING DISTRICT IN PRINCE GEORGE'S COUNTY AND

1 THE PRINCE GEORGE'S COUNTY COUNCIL SO DETERMINES, MONEYS IN THE SPECIAL
2 FUND MAY BE:

3 (I) USED FOR ANY OF THE PURPOSES DESCRIBED IN THIS
4 SECTION;

5 (II) ACCUMULATED FOR PAYMENT OF DEBT SERVICE ON BONDS
6 SUBSEQUENTLY ISSUED UNDER THIS SECTION;

7 (III) USED TO PAY OR REIMBURSE THE COUNTY FOR DEBT SERVICE
8 WHICH THE COUNTY IS OBLIGATED TO PAY OR HAS PAID (WHETHER SUCH
9 OBLIGATION IS GENERAL OR LIMITED) ON BONDS ISSUED BY THE STATE OF
10 MARYLAND, ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION THEREOF, OR
11 THE REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY, THE PROCEEDS OF WHICH
12 HAVE BEEN USED FOR ANY OF THE PURPOSES SPECIFIED IN THIS SECTION; OR

13 (IV) PAID TO THE COUNTY TO PROVIDE FUNDS TO BE USED FOR ANY
14 LEGAL PURPOSE AS MAY BE DETERMINED BY THE COUNTY.

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

16 14-202.

17 (f) (1) "Bonds" or "bond" means any revenue bonds or bond, notes or note, or
18 other similar instruments or instrument issued by any municipality or county
19 pursuant to and in accordance with this subtitle.

20 (2) "BONDS" OR "BOND" INCLUDES ANY REVENUE BOND, NOTES OR
21 NOTE, OR OTHER SIMILAR INSTRUMENTS OR INSTRUMENT ISSUED BY THE REVENUE
22 AUTHORITY OF PRINCE GEORGE'S COUNTY.

23 14-205.

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

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

31 (2) Site removal;

32 (3) Surveys and studies;

33 (4) Relocation of businesses or residents;

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

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

6 (7) Reserves or capitalized interest;

7 (8) Necessary costs of issuing bonds; and

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

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

15 (1) CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'
16 CENTERS;

17 (2) MAINTENANCE OF INFRASTRUCTURE IMPROVEMENTS,
18 CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS; AND

19 (3) MARKETING THE DEVELOPMENT DISTRICT FACILITIES AND OTHER
20 IMPROVEMENTS.

21 14-208.

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

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

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

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

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

1 14-209.

2 (A) A county or municipality which is not the issuing body may pledge, by
3 written agreement, that its property taxes levied on the tax increment shall also be
4 paid into the special fund. Such agreements shall be between the governing bodies of
5 a county and a municipality. They shall run to the benefit of and be enforceable on
6 behalf of any bondholder.

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

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

10 10-269.

11 (a) (2) (i) Bond means a special obligation bond, revenue bond, note, or
12 other similar instrument issued by the County in accordance with this Section.

13 (II) BOND INCLUDES A SPECIAL OBLIGATION BOND, REVENUE
14 BOND, NOTE OR SIMILAR INSTRUMENT ISSUED BY THE REVENUE AUTHORITY OF
15 THE COUNTY.

16 (b) (1) Subject to the provisions of this Section, and for the purpose stated in
17 paragraph (2) of this Subsection, the County may:

18 (A) Create a Special Taxing District;

19 (B) Levy ad valorem, [or] special, OR HOTEL RENTAL taxes; and

20 (C) Issue bonds and other obligations.

21 (2) The purpose of the authority granted under paragraph (1) of this
22 Subsection is to provide financing, refinancing, or reimbursement for the cost of:

23 (A) [the] THE design, construction, establishment, extension,
24 alteration, or acquisition, of adequate storm drainage systems, sewers, water
25 systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks
26 and recreation facilities, libraries, schools, transit facilities, solid waste facilities, and
27 other infrastructure improvements as necessary, whether situated within the Special
28 Taxing District or outside the Special Taxing District if the infrastructure
29 improvement is reasonably related to other infrastructure improvements within the
30 Special Taxing District, for the development and utilization of the land, each with
31 respect to any defined geographic region with the County;

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

34 (C) INFRASTRUCTURE IMPROVEMENTS MAINTENANCE AND
35 MAINTENANCE OF CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'
36 CENTERS; AND

1 (D) MARKETING THE SPECIAL TAXING DISTRICT FACILITIES AND
2 OTHER IMPROVEMENTS.

3 21A-108.

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

9 21A-109.

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

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

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