

SENATE BILL 903

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2002 Regular Session  
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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

Re-referred to: Budget and Taxation, March 31, 2002

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Committee Report: Favorable

Senate action: Adopted

Read second time: April 5, 2002

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CHAPTER \_\_\_\_\_

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

1 Section 10-269(a)(2) and (b), 21A-108(a), and 21A-109(a)(1)  
2 Article 17 - Public Local Laws of Maryland  
3 (1999 Edition and 2000 Supplement, as amended)

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

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

7 9-1301.

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

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

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

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

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

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

- 31 (i) Shall specify the types of infrastructure and related costs that  
32 may be financed;
- 33 (ii) Shall require:

34 1. Reasonable disclosure in the real estate contract to buyers  
35 of real property within a special taxing district of any special assessment, special tax,



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

2 [(2)] (II) Any moneys remaining in the special fund on the date of  
3 termination of the special taxing district shall be paid to the general fund of the  
4 county.

5 (2) WHEN NO BONDS AUTHORIZED BY THIS SECTION ARE OUTSTANDING  
6 WITH RESPECT TO A SPECIAL TAXING DISTRICT IN PRINCE GEORGE'S COUNTY AND  
7 THE PRINCE GEORGE'S COUNTY COUNCIL SO DETERMINES, MONEYS IN THE SPECIAL  
8 FUND MAY BE:

9 (I) USED FOR ANY OF THE PURPOSES DESCRIBED IN THIS  
10 SECTION;

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

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

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

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

22 14-202.

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

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

29 14-205.

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

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

- 1 (2) Site removal;
- 2 (3) Surveys and studies;
- 3 (4) Relocation of businesses or residents;
- 4 (5) Installation of utilities, construction of parks and playgrounds, and  
5 other necessary improvements including streets and roads to, from, or within the  
6 development district, parking, lighting, and other facilities;
- 7 (6) Construction or rehabilitation of buildings provided that such  
8 buildings are to be devoted to a governmental use or purpose;
- 9 (7) Reserves or capitalized interest;
- 10 (8) Necessary costs of issuing bonds; and
- 11 (9) Payment of the principal and interest on loans, money advanced, or  
12 indebtedness incurred by a county or municipality, for any of the purposes set out in  
13 this section.

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

- 18 (1) CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'  
19 CENTERS;
- 20 (2) MAINTENANCE OF INFRASTRUCTURE IMPROVEMENTS,  
21 CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS; AND
- 22 (3) MARKETING THE DEVELOPMENT DISTRICT FACILITIES AND OTHER  
23 IMPROVEMENTS.

24 14-208.

- 25 (a) When no bonds authorized by this subtitle are outstanding with respect to  
26 a development district and the governing body of the county or municipality so  
27 determines, moneys in the special fund for that development district created  
28 pursuant to § 14-206(3)(ii) of this subtitle may be:
  - 29 (1) Used for any of the purposes described in § 14-205 of this subtitle;
  - 30 (2) Accumulated for payment of debt service on bonds subsequently  
31 issued under this subtitle;
  - 32 (3) Used to pay or to reimburse the county or municipality for debt  
33 service which the county or municipality is obligated to pay or has paid (whether such  
34 obligation is general or limited) on bonds issued by the State of Maryland, [or] any  
35 agency, department, or political subdivision thereof, OR THE REVENUE AUTHORITY

1 OF PRINCE GEORGE'S COUNTY, the proceeds of which have been used for any of the  
2 purposes specified in § 14-205 of this subtitle; or

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

5 14-209.

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

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

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

14 10-269.

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

17 (II) BOND INCLUDES A SPECIAL OBLIGATION BOND, REVENUE  
18 BOND, NOTE OR SIMILAR INSTRUMENT ISSUED BY THE REVENUE AUTHORITY OF  
19 THE COUNTY.

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

22 (A) Create a Special Taxing District;

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

24 (C) Issue bonds and other obligations.

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

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

1 (B) CONVENTION CENTERS, CONFERENCE CENTERS, AND  
2 VISITORS' CENTERS;

3 (C) INFRASTRUCTURE IMPROVEMENTS MAINTENANCE AND  
4 MAINTENANCE OF CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS'  
5 CENTERS; AND

6 (D) MARKETING THE SPECIAL TAXING DISTRICT FACILITIES AND  
7 OTHER IMPROVEMENTS.

8 21A-108.

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

14 21A-109.

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

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

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