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By: **Delegate Frush**
Introduced and read first time: February 2, 2004
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2   **Local Government - Special Taxing Districts - Financing Infrastructure**
3   **Improvements**

4 FOR the purpose of authorizing certain counties to create a special fund with respect
5   to a special taxing district under certain circumstances; authorizing the Prince
6   George's County Council to impose user fees on consumers at certain locations
7   within the county; altering an exception in the law for Prince George's County
8   that relates to restrictions on certain property taxes levied for the purpose of
9   financing certain infrastructure improvements; and generally relating to the
10   use of special taxing districts and tax increment financing to finance
11   infrastructure improvements within a county.

12 BY repealing and reenacting, without amendments,
13   Article 24 - Political Subdivisions - Miscellaneous Provisions
14   Section 9-1301(b) and (f)
15   Annotated Code of Maryland
16   (2001 Replacement Volume and 2003 Supplement)

17 BY repealing and reenacting, with amendments,
18   Article 24 - Political Subdivisions - Miscellaneous Provisions
19   Section 9-1301(c)(1) and (5)
20   Annotated Code of Maryland
21   (2001 Replacement Volume and 2003 Supplement)

22 BY repealing and reenacting, with amendments,
23   Article 41 - Governor - Executive and Administrative Departments
24   Section 14-206
25   Annotated Code of Maryland
26   (2003 Replacement Volume)

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

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

2 9-1301.

3   (b)   This section applies only to Anne Arundel County, Calvert County, Charles
4 County, Garrett County, Howard County, Prince George's County, Washington County,
5 and Wicomico County.

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

8   (i)   Create a special taxing district;

9   (ii)   Levy ad valorem or special taxes; [and]

10   (III)   IMPOSE USER FEES;

11   [(iii)]   (IV)   Issue bonds and other obligations; AND

12   (V)   AS DESCRIBED IN SUBSECTION (F) OF THIS SECTION, ADOPT A
13 RESOLUTION CREATING A SPECIAL FUND WITH RESPECT TO A SPECIAL TAXING
14 DISTRICT EVEN IF THE COUNTY DOES NOT ISSUE BONDS WITH RESPECT TO THAT
15 SPECIAL TAXING DISTRICT.

16   (5)   Prince George's County may exercise the authority granted in this
17 subsection to:

18   (i)   Levy hotel rental taxes; [and]

19   (ii)   Provide financing, refinancing, or reimbursement for the costs
20 of:

21   1.   Convention centers, conference centers, and visitors'
22 centers;

23   2.   Maintenance of infrastructure improvements, convention
24 centers, conference centers, and visitors' centers; and

25   3.   Marketing the special taxing district facilities and other
26 improvements; AND

27   (III)   IMPOSE USER FEES ON CONSUMERS, COLLECTED AT THE
28 POINT OF SALE, AT MIXED USE DEVELOPMENTS LOCATED ADJACENT TO OR IN THE
29 IMMEDIATE VICINITY OF METRORAIL SITES IN PRINCE GEORGE'S COUNTY.

30   (f)   (1)   Before issuing these bonds, the governing body of the county shall:

31   (i)   Designate by resolution an area or areas as a special taxing
32 district;

1   (ii)   Subject to paragraph (2) of this subsection, adopt a resolution
2 creating a special fund with respect to the special taxing district; and

3   (iii)   Provide for the levy of an ad valorem or special tax on all real
4 and personal property within the special taxing district at a rate or amount designed
5 to provide adequate revenues to pay the principal of, interest on, and redemption
6 premium, if any, on the bonds, to replenish any debt service reserve fund, and for any
7 other purpose related to the ongoing expenses of or security for the bonds. Ad valorem
8 taxes shall be levied in the same manner, upon the same assessments, for the same
9 period or periods, and as of the same date or dates of finality as are now or may
10 hereafter be prescribed for general ad valorem tax purposes within the district, and
11 shall be discontinued when all of the bonds have been paid in full. Special taxes shall
12 be levied pursuant to subsection (o) of this section.

13   (2)   The resolution creating a special fund under paragraph (1)(ii) of this
14 subsection shall:

15   (i)   Pledge to the special fund the proceeds of the ad valorem or
16 special tax to be levied as provided under paragraph (1)(iii) of this subsection; and

17   (ii)   Require that the proceeds from the tax be paid into the special
18 fund.

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

20 14-206.

21   Before issuing these bonds, the governing body of the issuer shall:

22   (1)   Designate by resolution a contiguous area within its jurisdiction as a
23 "development district". If the governing body of a county designates an area which is
24 wholly or partly within the corporate limits of a municipality, a resolution of the
25 governing body of the municipality, approving the district, is also required to establish
26 the district.

27   (2)   Receive from the supervisor of assessments a certification as to the
28 amount of the original assessable base, or if applicable, the adjusted assessable base.

29   (3)   Pledge that until the bonds have been fully paid or thereafter, the
30 property taxes on real property within the development district shall be divided as
31 follows:

32   (i)   That portion of the taxes which would be produced by the rate
33 at which taxes levied each year by or for a municipality or county upon the original
34 taxable value shall be allocated to and when collected paid into the funds of the
35 respective taxing bodies in the same manner as taxes by or for the taxing bodies on all
36 other property are paid.

37   (ii)   That portion of the taxes representing the levy on the tax
38 increment that would normally be paid to the issuing body shall be paid into a special

1 fund to be applied in accordance with the provisions of § 14-208. This yield shall not
2 be considered as county or municipal taxes for the purposes of any constant yield tax
3 limitation or State or local restriction, except for tax revenues received from
4 residential properties in Prince George's County UNLESS THE RESIDENTIAL
5 PROPERTIES ARE LOCATED ADJACENT TO OR IN THE IMMEDIATE VICINITY OF
6 METRORAIL SITES IN PRINCE GEORGE'S COUNTY. No State real property taxes may
7 be paid into the special fund.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
9 effect July 1, 2004.