

HOUSE BILL 1111

L3
HB 335/06 – ENV

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By: **Delegates Sossi, Smigiel, and Walkup**

Introduced and read first time: February 15, 2007

Assigned to: Rules and Executive Nominations

Re-referred to: Environmental Matters, February 26, 2007

Committee Report: Favorable

House action: Adopted

Read second time: March 18, 2007

CHAPTER _____

1 AN ACT concerning

2 **Town of Sudlersville (Queen Anne's County) – Urban Renewal Authority for**
3 **Slum Clearance – Repeal**

4 FOR the purpose of repealing certain provisions that authorize the Town of
5 Sudlersville, Queen Anne's County, to undertake and carry out certain urban
6 renewal projects for slum clearance and redevelopment; repealing certain
7 provisions that prohibit certain land or property from being taken for certain
8 purposes without just compensation being first paid to the party entitled to the
9 compensation; repealing a provision that declares that certain land or property
10 taken in connection with certain urban renewal powers is needed for public uses
11 or purposes; repealing certain provisions that authorize the legislative body of
12 the Town of Sudlersville by ordinance to elect to have certain urban renewal
13 powers exercised by a certain public body; repealing certain provisions that
14 impose certain requirements for the initiation and approval of an urban renewal
15 area; repealing certain provisions that provide for the disposal of property in an
16 urban renewal area; repealing certain provisions that authorize the municipal
17 corporation to issue certain bonds under certain circumstances; repealing a
18 provision that clarifies that a certain appendix may be amended or repealed
19 only by the General Assembly of Maryland; repealing certain definitions; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



generally relating to the repeal of the urban renewal authority for slum clearance for the Town of Sudlersville in Queen Anne's County.

BY repealing

Chapter 137 – Charter of the Town of Sudlersville

Section A1–101 through A1–114 and the heading “Appendix I – Urban Renewal Authority for Slum Clearance”

Public Local Laws of Maryland – Compilation of Municipal Charters

(1990 Replacement Edition and 2005 Supplement)

(As enacted by Chapter 400 of the Acts of the General Assembly of 2004)

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

Chapter 137 – Charter of the Town of Sudlersville

[Appendix I – Urban Renewal Authority for Slum Clearance]

[A1–101. Definitions.

(a) In this appendix the following words have the meanings indicated.

(b) “Blighted area” means an area or single property in which the building or buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent they no longer justify fundamental repairs and adequate maintenance.

(c) “Bonds” means any bonds (including refunding bonds), notes, interim certificates, certificates of indebtedness, debentures, or other obligations.

(d) “Federal government” means the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

(e) “Municipality” means the town of Sudlersville, Maryland.

(f) “Person” means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic. It includes any trustee, receiver, assignee, or other person acting in similar representative capacity.

(g) “Slum area” means any area or single property where dwellings predominate which, by reason of depreciation, overcrowding, faulty arrangement or

1 design, lack of ventilation, light, or sanitary facilities, or any combination of these
2 factors, are detrimental to the public safety, health, or morals.

3 (h) "Urban renewal area" means a slum area or a blighted area or a
4 combination of them which the municipality designates as appropriate for an urban
5 renewal project.

6 (i) "Urban renewal plan" means a plan, as it exists from time to time, for an
7 urban renewal project. The plan shall be sufficiently complete to indicate any land
8 acquisition, demolition, and removal of structures, redevelopment, improvements, and
9 rehabilitation as may be proposed to be carried out in the urban renewal area, zoning
10 and planning changes, if any, land uses, maximum density, and building
11 requirements.

12 (j) "Urban renewal project" means undertakings and activities of a
13 municipality in an urban renewal area for the elimination and for the prevention of
14 the development or spread of slums and blight, and may involve slum clearance and
15 redevelopment in an urban renewal area, or rehabilitation or conservation in an urban
16 renewal area, or any combination or part of them in accordance with an urban renewal
17 plan. These undertakings and activities may include:

18 (1) Acquisition of a slum area or a blighted area or portion of them;

19 (2) Demolition and removal of buildings and improvements;

20 (3) Installation, construction or reconstruction of streets, utilities,
21 parks, playgrounds, and other improvements necessary for carrying out the urban
22 renewal objectives of this appendix in accordance with the urban renewal plan;

23 (4) Disposition of any property acquired in the urban renewal area,
24 including sale, initial leasing, or retention by the municipality itself, at its fair value
25 for uses in accordance with the urban renewal plan;

26 (5) Carrying out plans for a program of voluntary or compulsory repair
27 and rehabilitation of buildings or other improvements in accordance with the urban
28 renewal plan;

29 (6) Acquisition of any other real property in the urban renewal area
30 where necessary to eliminate unhealthful, unsanitary, or unsafe conditions, lessen
31 density, eliminate obsolete or other uses detrimental to the public welfare, or
32 otherwise to remove or prevent the spread of blight or deterioration, or to provide land
33 for needed public facilities; and

1 (7) The preservation, improvement, or embellishment of historic
2 structures or monuments.]

3 [A1–102. Powers.

4 (a) The municipality may undertake and carry out urban renewal projects.

5 (b) These projects shall be limited:

6 (1) To slum clearance in slum or blighted areas and redevelopment or
7 the rehabilitation of slum or blighted areas;

8 (2) To acquire in connection with those projects, within the corporate
9 limits of the municipality, land and property of every kind and any right, interest,
10 franchise, easement, or privilege, including land or property and any right or interest
11 already devoted to public use, by purchase, lease, gift, condemnation, or any other
12 legal means; and

13 (3) To sell, lease, convey, transfer, or otherwise dispose of any of the
14 land or property, regardless of whether or not it has been developed, redeveloped,
15 altered, or improved and irrespective of the manner or means in or by which it may
16 have been acquired, to any private, public, or quasi–public corporation, partnership,
17 association, person, or other legal entity.

18 (c) Land or property taken by the municipality for any of these purposes or
19 in connection with the exercise of any of the powers which are granted by this
20 appendix to the municipality by exercising the power of eminent domain may not be
21 taken without just compensation, as agreed upon between the parties, or awarded by a
22 jury, being first paid or tendered to the party entitled to the compensation.

23 (d) All land or property needed or taken by the exercise of the power of
24 eminent domain by the municipality for any of these purposes or in connection with
25 the exercise of any of the powers granted by this appendix is declared to be needed or
26 taken for public uses and purposes.

27 (e) Any or all of the activities authorized pursuant to this appendix
28 constitute governmental functions undertaken for public uses and purposes and the
29 power of taxation may be exercised, public funds expended, and public credit extended
30 in furtherance of them.]

31 [A1–103. Additional powers.

1 The municipality has the following additional powers. These powers are
2 declared to be necessary and proper to carry into full force and effect the specific
3 powers granted in this appendix and to fully accomplish the purposes and objects
4 contemplated by the provisions of this section:

5 (1) To make or have made all surveys and plans necessary to the
6 carrying out of the purposes of this appendix and to adopt or approve, modify, and
7 amend those plans. These plans may include, but are not limited to:

8 (i) Plans for carrying out a program of voluntary or compulsory
9 repair and rehabilitation of buildings and improvements;

10 (ii) Plans for the enforcement of codes and regulations relating
11 to the use of land and the use and occupancy of buildings and improvements and to the
12 compulsory repair, rehabilitation, demolition, or removal of buildings and
13 improvements; and

14 (iii) Appraisals, title searches, surveys, studies, and other plans
15 and work necessary to prepare for the undertaking of urban renewal projects and
16 related activities; and to apply for, accept, and utilize grants of funds from the federal
17 government or other governmental entity for those purposes;

18 (2) To prepare plans for the relocation of persons (including families,
19 business concerns, and others) displaced from an urban renewal area, and to make
20 relocation payments to or with respect to those persons for moving expenses and losses
21 of property for which reimbursement or compensation is not otherwise made,
22 including the making of payments financed by the federal government;

23 (3) To appropriate whatever funds and make whatever expenditures
24 as may be necessary to carry out the purposes of this appendix, including, but not
25 limited:

26 (i) To the payment of any and all costs and expenses incurred
27 in connection with, or incidental to, the acquisition of land or property, and for the
28 demolition, removal, relocation, renovation, or alteration of land, buildings, streets,
29 highways, alleys, utilities, or services, and other structures or improvements, and for
30 the construction, reconstruction, installation, relocation, or repair of streets, highways,
31 alleys, utilities, or services, in connection with urban renewal projects;

32 (ii) To levy taxes and assessments for those purposes;

33 (iii) To borrow money and to apply for and accept advances,
34 loans, grants, contributions, and any other form of financial assistance from the

1 federal government, the state, county, or other public bodies, or from any sources,
2 public or private, for the purposes of this appendix, and to give whatever security as
3 may be required for this financial assistance; and

4 (iv) To invest any urban renewal funds held in reserves or
5 sinking funds or any of these funds not required for immediate disbursement in
6 property or securities which are legal investments for other municipal funds;

7 (4) (i) To hold, improve, clear, or prepare for redevelopment any
8 property acquired in connection with urban renewal projects;

9 (ii) To mortgage, pledge, hypothecate, or otherwise encumber
10 that property; and

11 (iii) To insure or provide for the insurance of the property or
12 operations of the municipality against any risks or hazards, including the power to pay
13 premiums on any insurance;

14 (5) To make and execute all contracts and other instruments
15 necessary or convenient to the exercise of its powers under this appendix, including
16 the power to enter into agreements with other public bodies or agencies (these
17 agreements may extend over any period, notwithstanding any provision or rule of law
18 to the contrary), and to include in any contract for financial assistance with the federal
19 government for or with respect to an urban renewal project and related activities any
20 conditions imposed pursuant to federal laws as the municipality considers reasonable
21 and appropriate;

22 (6) To enter into any building or property in any urban renewal area
23 in order to make inspections, surveys, appraisals, soundings, or test borings, and to
24 obtain an order for this purpose from the circuit court for the county in which the
25 municipality is situated in the event entry is denied or resisted;

26 (7) To plan, replan, install, construct, reconstruct, repair, close, or
27 vacate streets, roads, sidewalks, public utilities, parks, playgrounds, and other public
28 improvements in connection with an urban renewal project; and to make exceptions
29 from building regulations;

30 (8) To generally organize, coordinate, and direct the administration of
31 the provisions of this appendix as they apply to the municipality in order that the
32 objective of remedying slum and blighted areas and preventing its causes within the
33 municipality may be promoted and achieved most effectively; and

1 (9) To exercise all or any part or combination of the powers granted in
2 this appendix.]

3 [A1–104. Establishment of Urban Renewal Agency.

4 (a) A municipality may itself exercise all the powers granted by this
5 appendix, or may, if its legislative body by ordinance determines the action to be in the
6 public interest, elect to have the powers exercised by a separate public body or agency.

7 (b) In the event the legislative body makes that determination, it shall
8 proceed by ordinance to establish a public body or agency to undertake in the
9 municipality the activities authorized by this appendix.

10 (c) The ordinance shall include provisions establishing the number of
11 members of the public body or agency, the manner of their appointment and removal,
12 and the terms of the members and their compensation.

13 (d) The ordinance may include whatever additional provisions relating to the
14 organization of the public body or agency as may be necessary.

15 (e) In the event the legislative body enacts this ordinance, all of the powers
16 by this appendix granted to the municipality, from the effective date of the ordinance,
17 are vested in the public body or agency established by the ordinance.]

18 [A1–105. Powers withheld from the agency.

19 The agency may not:

20 (1) Pass a resolution to initiate an urban renewal project pursuant to
21 sections A1–102 and A1–103 of this appendix;

22 (2) Issue general obligation bonds pursuant to section A1–111 of this
23 appendix; or

24 (3) Appropriate funds or levy taxes and assessments pursuant to
25 section A1–103(3) of this appendix.]

26 [A1–106. Initiation of project.

27 In order to initiate an urban renewal project, the legislative body of the
28 municipality shall adopt a resolution which:

1 (1) Finds that one or more slum or blighted areas exist in the
2 municipality;

3 (2) Locates and defines the slum or blighted area; and

4 (3) Finds that the rehabilitation, redevelopment, or a combination of
5 them, of the area or areas, is necessary and in the interest of the public health, safety,
6 morals, or welfare of the residents of the municipality.]

7 [A1-107. Preparation and approval of plan for urban renewal project.

8 (a) In order to carry out the purposes of this appendix, the municipality shall
9 have prepared an urban renewal plan for slum or blighted areas in the municipality,
10 and shall approve the plan formally. The municipality shall hold a public hearing on
11 an urban renewal project after public notice of it by publication in a newspaper having
12 a general circulation within the corporate limits of the municipality. The notice shall
13 describe the time, date, place, and purpose of the hearing, shall generally identify the
14 urban renewal area covered by the plan, and shall outline the general scope of the
15 urban renewal project under consideration. Following the hearing, the municipality
16 may approve an urban renewal project and the plan therefor if it finds that:

17 (1) A feasible method exists for the location of any families or natural
18 persons who will be displaced from the urban renewal area in decent, safe, and
19 sanitary dwelling accommodations within their means and without undue hardship to
20 the families or natural persons;

21 (2) The urban renewal plan conforms substantially to the master plan
22 of the municipality as a whole; and

23 (3) The urban renewal plan will afford maximum opportunity,
24 consistent with the sound needs of the municipality as a whole, for the rehabilitation
25 or redevelopment of the urban renewal area by private enterprise.

26 (b) An urban renewal plan may be modified at any time. If modified after the
27 lease or sale of real property in the urban renewal project area, the modification may
28 be conditioned upon whatever approval of the owner, lessee, or successor in interest as
29 the municipality considers advisable. In any event, it shall be subject to whatever
30 rights at law or in equity as a lessee or purchaser, or his successor or successors in
31 interest, may be entitled to assert. Where the proposed modification will change
32 substantially the urban renewal plan as approved previously by the municipality, the
33 modification shall be approved formally by the municipality, as in the case of an
34 original plan.

1 (c) Upon the approval by the municipality of an urban renewal plan or of any
2 modification of it, the plan or modification shall be considered to be in full force and
3 effect for the respective urban renewal area. The municipality may have the plan or
4 modification carried out in accordance with its terms.]

5 [A1-108. Disposal of property in urban renewal area.

6 (a) The municipality may sell, lease, or otherwise transfer real property or
7 any interest in it acquired by it for an urban renewal project to any person for
8 residential, recreational, commercial, industrial, educational, or other uses or for
9 public use, or it may retain the property or interest for public use, in accordance with
10 the urban renewal plan and subject to whatever covenants, conditions, and
11 restrictions, including covenants running with the land, as it considers necessary or
12 desirable to assist in preventing the development or spread of future slums or blighted
13 areas or to otherwise carry out the purposes of this appendix. The purchasers or
14 lessees and their successors and assigns shall be obligated to devote the real property
15 only to the uses specified in the urban renewal plan, and may be obligated to comply
16 with whatever other requirements the municipality determines to be in the public
17 interest, including the obligation to begin within a reasonable time any improvements
18 on the real property required by the urban renewal plan. The real property or interest
19 may not be sold, leased, otherwise transferred, or retained at less than its fair value
20 for uses in accordance with the urban renewal plan. In determining the fair value of
21 real property for uses in accordance with the urban renewal plan, the municipality
22 shall take into account and give consideration to the uses provided in the plan, the
23 restrictions upon, and the covenants, conditions, and obligations assumed by the
24 purchaser or lessee or by the municipality retaining the property, and the objectives of
25 the plan for the prevention of the recurrence of slum or blighted areas. In any
26 instrument or conveyance to a private purchaser or lessee, the municipality may
27 provide that the purchaser or lessee may not sell, lease, or otherwise transfer the real
28 property without the prior written consent of the municipality until he has completed
29 the construction of any or all improvements which he has obligated himself to
30 construct on the property. Real property acquired by the municipality which, in
31 accordance with the provisions of the urban renewal plan, is to be transferred, shall be
32 transferred as rapidly as feasible in the public interest consistent with the carrying
33 out of the provisions of the urban renewal plan. Any contract for the transfer and the
34 urban renewal plan (or any part or parts of the contract or plan as the municipality
35 determines) may be recorded in the land records of the county in which the
36 municipality is situated in a manner so as to afford actual or constructive notice of it.

37 (b) The municipality may dispose of real property in an urban renewal area
38 to private persons. The municipality may, by public notice by publication in a

1 newspaper having a general circulation in the community invite proposals from and
2 make available all pertinent information to private redevelopers or any persons
3 interested in undertaking to redevelop or rehabilitate an urban renewal area, or any
4 part thereof. The notice shall identify the area, or portion thereof, and shall state that
5 proposals shall be made by those interested within a specified period. The
6 municipality shall consider all redevelopment or rehabilitation proposals and the
7 financial and legal ability of the persons making proposals to carry them out, and may
8 negotiate with any persons for proposals for the purchase, lease, or other transfer of
9 any real property acquired by the municipality in the urban renewal area. The
10 municipality may accept any proposal as it deems to be in the public interest and in
11 furtherance of the purposes of this subheading. Thereafter, the municipality may
12 execute and deliver contracts, deeds, leases, and other instruments and take all steps
13 necessary to effectuate the transfers.

14 (c) The municipality may operate temporarily and maintain real property
15 acquired by it in an urban renewal area for or in connection with an urban renewal
16 project pending the disposition of the property as authorized in this appendix, without
17 regard to the provisions of subsection (a), for uses and purposes considered desirable
18 even though not in conformity with the urban renewal plan.

19 (d) Any instrument executed by the municipality and purporting to convey
20 any right, title, or interest in any property under this appendix shall be presumed
21 conclusively to have been executed in compliance with the provisions of this appendix
22 insofar as title or other interest of any bona fide purchasers, lessees, or transferees of
23 the property is concerned.]

24 [A1-109. Eminent domain.

25 Condemnation of land or property under the provisions of this appendix shall be
26 in accordance with the procedure provided in the Real Property Article of the
27 Annotated Code of Maryland.]

28 [A1-110. Encouragement of private enterprise.

29 The municipality, to the extent it determines to be feasible in carrying out the
30 provisions of this appendix, shall afford maximum opportunity to the rehabilitation or
31 redevelopment of any urban renewal area by private enterprise consistent with the
32 sound needs of the municipality as a whole. The municipality shall give consideration
33 to this objective in exercising its powers under this appendix.]

34 [A1-111. General obligation bonds.

1 For the purpose of financing and carrying out of an urban renewal project and
2 related activities, the municipality may issue and sell its general obligation bonds.
3 Any bonds issued by the municipality pursuant to this section shall be issued in the
4 manner and within the limitations prescribed by applicable law for the issuance and
5 authorization of general obligation bonds by the municipality, and also within
6 limitations determined by the municipality.]

7 [A1–112. Revenue bonds.

8 (a) In addition to the authority conferred by section A1–111 of this appendix,
9 the municipality may issue revenue bonds to finance the undertaking of any urban
10 renewal project and related activities. Also, it may issue refunding bonds for the
11 payment or retirement of the bonds issued previously by it. The bonds shall be made
12 payable, as to both principal and interest, solely from the income, proceeds, revenues,
13 and funds of the municipality derived from or held in connection with the undertaking
14 and carrying out of urban renewal projects under this appendix. However, payment of
15 the bonds, both as to principal and interest, may be further secured by a pledge of any
16 loan, grant, or contribution from the federal government or other source, in aid of any
17 urban renewal projects of the municipality under this appendix, and by a mortgage of
18 any urban renewal project, or any part of a project, title to which is in the
19 municipality. In addition, the municipality may enter into an indenture of trust with
20 any private banking institution of this state having trust powers and may make in the
21 indenture of trust covenants and commitments required by any purchaser for the
22 adequate security of the bonds.

23 (b) Bonds issued under this section do not constitute an indebtedness within
24 the meaning of any constitutional or statutory debt limitation or restriction, are not
25 subject to the provisions of any other law or charter relating to the authorization,
26 issuance, or sale of bonds, and are exempted specifically from the restrictions
27 contained in sections 9, 10, and 11 of Article 31 (Debt – Public) of the Annotated Code
28 of Maryland. Bonds issued under the provisions of this appendix are declared to be
29 issued for an essential public and governmental purpose and, together with interest on
30 them and income from them, are exempt from all taxes.

31 (c) Bonds issued under this section shall be authorized by resolution or
32 ordinance of the legislative body of the municipality. They may be issued in one or
33 more series and:

34 (1) Shall bear a date or dates;

35 (2) Mature at a time or times;

- 1 (3) Bear interest at a rate or rates;
- 2 (4) Be in a denomination or denominations;
- 3 (5) Be in a form either with or without coupon or registered;
- 4 (6) Carry a conversion or registration privilege;
- 5 (7) Have a rank or priority;
- 6 (8) Be executed in a manner;
- 7 (9) Be payable in a medium or payment, at a place or places, and be
8 subject to terms of redemption (with or without premium);
- 9 (10) Be secured in a manner; and
- 10 (11) Have other characteristics, as are provided by the resolution, trust
11 indenture, or mortgage issued pursuant to it.

12 (d) These bonds may not be sold at less than par value at public sales which
13 are held after notice is published prior to the sale in a newspaper having a general
14 circulation in the area in which the municipality is located and in whatever other
15 medium of publication as the municipality may determine. The bonds may be
16 exchanged also for other bonds on the basis of par. However, the bonds may not be sold
17 to the federal government at private sale at less than par, and, in the event less than
18 all of the authorized principal amount of the bonds is sold to the federal government,
19 the balance may not be sold at private sale at less than par at an interest cost to the
20 municipality which does not exceed the interest cost to the municipality of the portion
21 of the bonds sold to the federal government.

22 (e) In case any of the public officials of the municipality whose signatures
23 appear on any bonds or coupons issued under this appendix cease to be officials of the
24 municipality before the delivery of the bonds or, in the event any of the officials have
25 become such after the date of issue of them, the bonds are valid and binding
26 obligations of the municipality in accordance with their terms. Any provision of any
27 law to the contrary notwithstanding, any bonds issued pursuant to this appendix are
28 fully negotiable.

29 (f) In any suit, action, or proceeding involving the validity or enforceability
30 of any bond issued under this appendix, or the security for it, any bond which recites
31 in substance that it has been issued by the municipality in connection with an urban
32 renewal project shall be considered conclusively to have been issued for that purpose,

1 and the project shall be considered conclusively to have been planned, located, and
2 carried out in accordance with the provisions of this appendix.

3 (g) All banks, trust companies, bankers, savings banks, and institutions,
4 building and loan associations, savings and loan associations, investment companies,
5 and other persons carrying on a banking or investment business; all insurance
6 companies, insurance associations, and other persons carrying on an insurance
7 business; and all executors, administrators, curators, trustees, and other fiduciaries,
8 may legally invest any sinking funds, moneys, or other funds belonging to them or
9 within their control in any bonds or other obligations issued by the municipality
10 pursuant to this appendix. However, the bonds and other obligations shall be secured
11 by an agreement between the issuer and the federal government in which the issuer
12 agrees to borrow from the federal government and the federal government agrees to
13 lend to the issuer, prior to the maturity of the bonds or other obligations, moneys in an
14 amount which (together with any other moneys committed irrevocably to the payment
15 of principal and interest on the bonds or other obligations) will suffice to pay the
16 principal of the bonds or other obligations with interest to maturity on them. The
17 moneys under the terms of the agreement shall be required to be used for the purpose
18 of paying the principal of and the interest on the bonds or other obligations at their
19 maturity. The bonds and other obligations shall be authorized security for all public
20 deposits. This section authorizes any persons or public or private political subdivisions
21 and officers to use any funds owned or controlled by them for the purchase of any
22 bonds or other obligations. With regard to legal investments, this section may not be
23 construed to relieve any person of any duty of exercising reasonable care in selecting
24 securities.]

25 [A1-113. Short title.

26 This Appendix shall be known and may be cited as the Sudlersville Urban
27 Renewal Authority for Slum Clearance Act.]

28 [A1-114. Authority to amend or repeal.

29 This appendix, enacted pursuant to Article III, Section 61 of the Constitution of
30 Maryland, may be amended or repealed only by the General Assembly of Maryland.]

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2007.