

HOUSE BILL 1562

L4

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CF SB 923

By: **Delegates Rudolph, James, and Walkup**
Introduced and read first time: February 26, 2008
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Cecil County - Special Taxing Districts - Creation**

3 FOR the purpose of authorizing Cecil County to exercise certain powers concerning the
4 creation of special taxing districts, the levying of certain taxes, and the issuing
5 of certain bonds for developing and financing certain infrastructure
6 improvements under certain circumstances; authorizing Cecil County to create
7 a special taxing district only in certain areas; authorizing the governing body of
8 Cecil County to consider certain aspects of a development that would benefit
9 from the creation of a special taxing district at a certain public hearing;
10 requiring certain disclosure to buyers of real property within a special taxing
11 district of certain charges for which the buyer would be liable; providing that
12 failure to provide certain disclosure makes a contract for the purchase of real
13 property within a special taxing district voidable under certain circumstances;
14 requiring that adequate debt service reserve funds be maintained by Cecil
15 County; providing that Cecil County may establish a special taxing district only
16 if all the owners of the real property located within the proposed special taxing
17 district petition the county for the creation of the special taxing district; and
18 generally relating to the authority of Cecil County to create special taxing
19 districts for developing and financing infrastructure improvements.

20 BY repealing and reenacting, without amendments,
21 Article 24 – Political Subdivisions – Miscellaneous Provisions
22 Section 9–1301(a)
23 Annotated Code of Maryland
24 (2005 Replacement Volume and 2007 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article 24 – Political Subdivisions – Miscellaneous Provisions
27 Section 9–1301(b) and (c)
28 Annotated Code of Maryland
29 (2005 Replacement Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



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

3 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

4 9–1301.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) (i) “Bond” means a special obligation bond, revenue bond, note,
7 or other similar instrument issued by the county in accordance with this section.

8 (ii) “Bond” includes a special obligation bond, revenue bond,
9 note, or similar instrument issued by the revenue authority of Prince George’s County.

10 (3) “Cost” includes the cost of:

11 (i) Construction, reconstruction, and renovation, and
12 acquisition of all lands, structures, real or personal property, rights, rights-of-way,
13 franchises, easements, and interests acquired or to be acquired by the county;

14 (ii) All machinery and equipment including machinery and
15 equipment needed to expand or enhance county services to the special taxing district;

16 (iii) Financing charges and interest prior to and during
17 construction, and, if deemed advisable by the county, for a limited period after
18 completion of the construction, interest and reserves for principal and interest,
19 including costs of municipal bond insurance and any other type of financial guaranty
20 and costs of issuance;

21 (iv) Extensions, enlargements, additions, and improvements;

22 (v) Architectural, engineering, financial, and legal services;

23 (vi) Plans, specifications, studies, surveys, and estimates of cost
24 and of revenues;

25 (vii) Administrative expenses necessary or incident to
26 determining to proceed with the infrastructure improvements; and

27 (viii) Other expenses as may be necessary or incident to the
28 construction, acquisition, and financing of the infrastructure improvements.

29 (4) In Prince George’s County, “cost” includes the cost of renovation,
30 rehabilitation, and repair of existing buildings, internal and external structural
31 systems, elevators, facades, mechanical systems and components, and security
32 systems.

1 (b) This section applies only to Anne Arundel County, Calvert County,
2 **CECIL COUNTY**, Charles County, Garrett County, Howard County, Prince George's
3 County, St. Mary's County, Washington County, and Wicomico County.

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

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

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

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

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

24 (ii) Shall require:

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

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

32 3. That adequate debt service reserve funds be
33 maintained;

34 (iii) May not allow:

1 1. Acceleration of assessments or taxes by reason of bond
2 default; or

3 2. An increase in the maximum special assessments,
4 special taxes, or other fees or charges applicable to any individual property in the
5 event that other property owners become delinquent in the payment of a special
6 assessment, special tax, or other fee or charge securing special obligation debt issued
7 under this section; and

8 (iv) May provide:

9 1. For exemptions, deferrals, and credits; and

10 2. That a lien attaches to property within a special
11 taxing district to the extent of that property owner’s obligation under any special
12 taxing district financing.

13 (4) Charles County may exercise the authority granted under this
14 section only in commercial or light industrial zones.

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

17 (i) Levy hotel rental taxes; and

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

20 1. Convention centers, conference centers, and visitors’
21 centers;

22 2. Maintenance of infrastructure improvements,
23 convention centers, conference centers, and visitors’ centers;

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

26 4. Renovation, rehabilitation, and repair of existing
27 buildings, building systems, and components for existing residential condominiums
28 designated as workforce housing as defined in § 4–1801 of the Housing and
29 Community Development Article.

30 **(6) (I) THIS PARAGRAPH APPLIES ONLY TO CECIL COUNTY.**

31 **(II) THE COUNTY MAY EXERCISE THE AUTHORITY GRANTED**
32 **UNDER THIS SECTION ONLY IN DESIGNATED GROWTH AREAS AS DEFINED IN THE**
33 **COUNTY COMPREHENSIVE PLAN.**

1 **(III) AT THE PUBLIC HEARING ON A BILL CREATING A**
2 **SPECIAL TAXING DISTRICT, THE COUNTY GOVERNING BODY MAY CONSIDER THE**
3 **FOLLOWING ELEMENTS OF A PROPOSED DEVELOPMENT THAT WOULD RECEIVE**
4 **THE PROCEEDS OF A PROPOSED BOND UNDER THIS SECTION:**

- 5 **1. DEVELOPMENT DESIGN STANDARDS;**
- 6 **2. THE USE OF TRANSFER OF DEVELOPMENT RIGHTS**
7 **OR OTHER METHODS OF INCREASING THE DENSITY OF DEVELOPMENT;**
- 8 **3. DESIGN AND USAGE OF OPEN SPACE; AND**
- 9 **4. AVAILABILITY AND DESIGN OF RECREATIONAL**
10 **AND EDUCATIONAL FACILITIES.**

11 **(IV) A LAW ENACTED BY THE COUNTY UNDER THE**
12 **AUTHORITY OF THIS SECTION SHALL REQUIRE:**

- 13 **1. REASONABLE DISCLOSURE IN THE REAL ESTATE**
14 **CONTRACT TO BUYERS OF REAL PROPERTY WITHIN A SPECIAL TAXING DISTRICT**
15 **OF ANY SPECIAL ASSESSMENT, SPECIAL TAX, OR OTHER FEE OR CHARGE FOR**
16 **WHICH THE BUYER WOULD BE LIABLE DUE TO THE SPECIAL TAXING DISTRICT;**
- 17 **2. THAT A SELLER'S FAILURE TO PROVIDE THE**
18 **DISCLOSURE REQUIRED UNDER ITEM 1 OF THIS SUBPARAGRAPH RENDERS THE**
19 **CONTRACT VOIDABLE AT THE OPTION OF THE BUYER BEFORE THE DATE OF**
20 **SETTLEMENT; AND**
- 21 **3. THAT ADEQUATE DEBT SERVICE RESERVE FUNDS**
22 **BE MAINTAINED.**

23 **(V) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION,**
24 **BEFORE THE COUNTY MAY ESTABLISH A SPECIAL TAXING DISTRICT, ALL OF THE**
25 **OWNERS OF REAL PROPERTY WITHIN THE PROPOSED SPECIAL TAXING DISTRICT**
26 **MUST PETITION THE COUNTY FOR THE CREATION OF THE SPECIAL TAXING**
27 **DISTRICT.**

28 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
29 **June 1, 2008.**