

# SENATE BILL 923

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By: **Senator Jacobs**

Introduced and read first time: February 20, 2008

Assigned to: Rules

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## 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)

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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                   **(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.**