

SENATE BILL 39

L4

9lr0944

(PRE-FILED)

By: **Senator Harrington**

Requested: November 7, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2009

CHAPTER _____

1 AN ACT concerning

2 **Municipal Corporations – Tax Increment Financing – Application of Bond**
3 **Proceeds**

4 FOR the purpose of authorizing a municipal corporation to apply the proceeds from
5 the issuance of certain bonds to install infrastructure improvements for the
6 purpose of encouraging redevelopment in certain areas; and generally relating
7 to the application of proceeds from certain bonds issued by a municipal
8 corporation.

9 BY repealing and reenacting, without amendments,
10 Article – Economic Development
11 Section 12–201(i) and (m) and 12–204(a)
12 Annotated Code of Maryland
13 (2008 Volume)

14 BY repealing and reenacting, with amendments,
15 Article – Economic Development
16 Section 12–207
17 Annotated Code of Maryland
18 (2008 Volume)

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

21 **Article – Economic Development**

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.



1 12-201.

2 (i) "Issuer" means a political subdivision or the revenue authority of Prince
3 George's County that issues a bond under this subtitle.

4 (m) "Political subdivision" means a county or a municipal corporation.

5 12-204.

6 (a) Notwithstanding any limitation of law, an issuer may issue bonds from
7 time to time to finance the development of an industrial, commercial, or residential
8 area.

9 12-207.

10 (a) Bond proceeds may be used only:

11 (1) to buy, lease, condemn, or otherwise acquire property, or an
12 interest in property:

13 (i) in the development district; or

14 (ii) needed for a right-of-way or other easement to or from the
15 development district;

16 (2) for site removal;

17 (3) for surveys and studies;

18 (4) to relocate businesses or residents;

19 (5) to install utilities, construct parks and playgrounds, and for other
20 needed improvements including:

21 (i) roads to, from, or in the development district;

22 (ii) parking; and

23 (iii) lighting;

24 (6) to construct or rehabilitate buildings for a governmental purpose
25 or use;

26 (7) for reserves or capitalized interest;

27 (8) for necessary costs to issue bonds; and

1 (9) to pay the principal of and interest on loans, advances, or
2 indebtedness that a political subdivision incurs for a purpose specified in this section.

3 (b) (1) In addition to the purposes listed in subsection (a) of this section,
4 the proceeds from bonds that Prince George's County or the revenue authority of
5 Prince George's County issues may be used:

6 (i) for convention, conference, or visitors' centers;

7 (ii) to maintain infrastructure improvements and convention,
8 conference, or visitors' centers;

9 (iii) to market development district facilities and other
10 improvements; and

11 (iv) for the purpose of encouraging redevelopment in those areas
12 listed in paragraph (2) of this subsection, to install infrastructure improvements,
13 including:

14 1. streets;

15 2. parking structures of any type whether for public or
16 private use;

17 3. utilities;

18 4. street lights;

19 5. stormwater management and storm drain facilities;

20 6. fencing;

21 7. noise walls;

22 8. retaining walls;

23 9. trails;

24 10. sidewalks;

25 11. pedestrian and vehicular bridges; and

26 12. park facilities.

27 (2) The purpose of the authority granted by paragraph (1)(iv) of this
28 subsection is to encourage redevelopment in:

29 (i) revitalization areas designated by the county;

(ii) mixed use centers;

(iii) blighted areas; and

(iv) the Developed Tier, growth corridors, and growth centers, as defined in the county General Plan.

(C) (1) IN ADDITION TO THE PURPOSES LISTED IN SUBSECTION (A) OF THIS SECTION, THE PROCEEDS FROM BONDS THAT A MUNICIPAL CORPORATION ISSUES MAY BE USED FOR THE PURPOSE OF ENCOURAGING REDEVELOPMENT IN THOSE AREAS LISTED IN PARAGRAPH (2) OF THIS SUBSECTION, TO INSTALL INFRASTRUCTURE IMPROVEMENTS, INCLUDING:

(I) STREETS;

(II) PARKING STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE;

(III) UTILITIES;

(IV) STREET LIGHTS;

(V) STORMWATER MANAGEMENT AND STORM DRAIN FACILITIES;

(VI) FENCING;

(VII) NOISE WALLS;

(VIII) RETAINING WALLS;

(IX) TRAILS;

(X) SIDEWALKS;

(XI) PEDESTRIAN AND VEHICULAR BRIDGES; AND

(XII) PARK FACILITIES.

(2) THE PURPOSE OF THE AUTHORITY GRANTED BY PARAGRAPH (1) OF THIS SUBSECTION IS TO ENCOURAGE REDEVELOPMENT IN:

(I) REVITALIZATION AREAS DESIGNATED BY A COUNTY OR MUNICIPAL CORPORATION;

- 1 (II) MIXED USE CENTERS;
2 (III) BLIGHTED AREAS; AND
3 (IV) DEVELOPED AREAS AND GROWTH AREAS, AS DEFINED
4 IN A COUNTY OR MUNICIPAL CORPORATION LAND USE PLAN.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.