

SENATE BILL 828

L4, L1

0lr0429

By: **Senator Madaleno**

Introduced and read first time: February 10, 2010

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 30, 2010

CHAPTER _____

1 AN ACT concerning

2 **Special Taxing Districts – Transportation Improvements – Exemption from**
3 **County Tax Limitations**

4 FOR the purpose of exempting certain taxes imposed only within a special taxing
5 district for the purpose of financing the cost of transportation improvements
6 from county tax limitations; authorizing a county to issue, by law, certain bonds
7 for certain infrastructure improvements; authorizing a county to sell certain
8 bonds secured by certain revenues; providing that certain bonds may not be
9 secured by the full faith and credit or taxing authority of a county; providing for
10 the construction of certain provisions of this Act; defining certain terms; and
11 generally relating to special taxing districts and county tax limitations.

12 BY adding to

13 Article 24 – Political Subdivisions – Miscellaneous Provisions

14 Section 9–1302 and 9–1303

15 Annotated Code of Maryland

16 (2005 Replacement Volume and 2009 Supplement)

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

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

20 **9–1302.**

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 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
2 MEANINGS INDICATED.

3 (2) "COST" HAS THE MEANING STATED IN ~~§ 3-101(D)~~ § 9-1301 OF
4 ~~THE TRANSPORTATION ARTICLE~~ THIS SUBTITLE.

5 (3) "COUNTY TAX LIMITATION" MEANS A PROVISION OF A
6 COUNTY CHARTER THAT LIMITS:

7 (I) THE MAXIMUM PROPERTY TAX RATE THAT A COUNTY
8 MAY IMPOSE; OR

9 (II) THE RATE OF GROWTH OF COUNTY PROPERTY TAX
10 REVENUES.

11 (4) "HIGHWAY FACILITY" HAS THE MEANING STATED IN §
12 3-101(F) OF THE TRANSPORTATION ARTICLE.

13 (5) "SPECIAL TAXING DISTRICT" MEANS A DEFINED GEOGRAPHIC
14 AREA DESIGNATED BY A COUNTY WITHIN WHICH AD VALOREM OR SPECIAL
15 TAXES ARE IMPOSED FOR THE PURPOSE OF FINANCING THE COST OF
16 INFRASTRUCTURE IMPROVEMENTS.

17 (6) "TRANSIT FACILITY" HAS THE MEANING STATED IN § 3-101(K)
18 OF THE TRANSPORTATION ARTICLE.

19 (7) "~~TRANSPORTATION~~ STATE TRANSPORTATION
20 IMPROVEMENTS" INCLUDES HIGHWAY FACILITIES, TRANSIT FACILITIES, AND
21 RELATED INFRASTRUCTURE.

22 (8) "COUNTY TRANSPORTATION IMPROVEMENTS" INCLUDES:

23 (I) FOR COUNTY ROADS AND HIGHWAYS:

24 1. COUNTY RIGHTS-OF-WAY, ROADWAY SURFACES,
25 ROADWAY SUBGRADES, SHOULDERS, MEDIAN DIVIDERS, DRAINAGE FACILITIES
26 AND STRUCTURES, RELATED STORMWATER MANAGEMENT FACILITIES AND
27 STRUCTURES, ROADWAY CUTS, ROADWAY FILLS, GUARDRAILS, BRIDGES,
28 HIGHWAY GRADE SEPARATION STRUCTURES, TUNNELS, OVERPASSES,
29 UNDERPASSES, INTERCHANGES, ENTRANCE PLAZAS, APPROACHES, AND OTHER
30 STRUCTURES FORMING AN INTEGRAL PART OF A STREET, ROAD, OR HIGHWAY,
31 INCLUDING BICYCLE AND WALKING PATHS, DESIGNATED BUS LANES,
32 SIDEWALKS, PEDESTRIAN PLAZAS, STREETSCAPING, AND RELATED
33 INFRASTRUCTURE; AND

1 **2. ANY OTHER PROPERTY ACQUIRED FOR THE**
2 **CONSTRUCTION, OPERATION, OR USE OF THE HIGHWAY; AND**

3 **(II) FOR COUNTY TRANSIT FACILITIES, ANY ONE OR MORE**
4 **OR COMBINATION OF TRACKS, RIGHTS-OF-WAY, BRIDGES, TUNNELS, SUBWAYS,**
5 **ROLLING STOCK, STATIONS, TERMINALS, PORTS, PARKING AREAS, EQUIPMENT,**
6 **FIXTURES, BUILDING STRUCTURES, OTHER REAL OR PERSONAL PROPERTY, AND**
7 **SERVICES INCIDENTAL TO OR USEFUL OR DESIGNED FOR USE IN CONNECTION**
8 **WITH THE RENDERING OF TRANSIT SERVICE BY ANY MEANS, INCLUDING RAIL,**
9 **BUS, MOTOR VEHICLE, OR OTHER MODE OF TRANSPORTATION BUT DOES NOT**
10 **INCLUDE ANY RAILROAD FACILITY.**

11 **(B) A COUNTY TAX LIMITATION ~~DOES NOT~~ THAT WOULD OTHERWISE**
12 **APPLY TO AD VALOREM OR SPECIAL TAXES IMPOSED ONLY WITHIN A SPECIAL**
13 **TAXING DISTRICT DOES NOT APPLY FOR THE PURPOSE OF FINANCING THE COST**
14 **OF STATE TRANSPORTATION IMPROVEMENTS AND COUNTY TRANSPORTATION**
15 **IMPROVEMENTS.**

16 **9-1303.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
18 **MEANINGS INDICATED.**

19 **(2) "BOND" MEANS A SPECIAL OBLIGATION BOND, NOTE, OR**
20 **OTHER SIMILAR INSTRUMENT ISSUED BY A COUNTY UNDER THIS SECTION.**

21 **(3) "COSTS" MEANS ANY EXPENSE NECESSARY OR INCIDENT TO**
22 **ACQUIRING, BUILDING, OR FINANCING ANY TRANSPORTATION IMPROVEMENT**
23 **AS MAY BE PROVIDED BY THE LOCAL LAW AUTHORIZED UNDER SUBSECTION (B)**
24 **OF THIS SECTION.**

25 **(4) (I) "SPECIAL TAX" MEANS AN AD VALOREM OR SPECIAL**
26 **TAX, ASSESSMENT, FEE, OR CHARGE IMPOSED BY A COUNTY WITHIN A SPECIAL**
27 **TAXING DISTRICT.**

28 **(II) "SPECIAL TAX" DOES NOT INCLUDE AN AD VALOREM OR**
29 **SPECIAL TAX, ASSESSMENT, FEE, OR CHARGE LEVIED UNDER CHAPTER 20A OF**
30 **THE MONTGOMERY COUNTY CODE.**

31 **(5) (I) "SPECIAL TAXING DISTRICT" MEANS A SPECIAL TAXING**
32 **DISTRICT, SPECIAL ASSESSMENT DISTRICT, OR SIMILAR DEFINED**
33 **GEOGRAPHICAL AREA WITHIN A COUNTY IN WHICH THE COUNTY IS AUTHORIZED**
34 **TO IMPOSE A SPECIAL TAX.**

1 (II) "SPECIAL TAXING DISTRICT" DOES NOT INCLUDE A
2 DEVELOPMENT DISTRICT CREATED UNDER CHAPTER 20A OF THE
3 MONTGOMERY COUNTY CODE.

4 (6) "TRANSPORTATION IMPROVEMENT" MEANS A STATE
5 TRANSPORTATION IMPROVEMENT OR A COUNTY TRANSPORTATION
6 IMPROVEMENT AS DEFINED IN § 9-1302 OF THIS SUBTITLE.

7 (B) IN ADDITION TO OTHER POWERS A COUNTY MAY HAVE, AND
8 NOTWITHSTANDING THE PROVISIONS OF ANY OTHER PUBLIC LOCAL LAW,
9 PUBLIC GENERAL LAW, OR THE COUNTY CHARTER OF A COUNTY THAT HAS
10 ADOPTED HOME RULE POWERS UNDER ARTICLE XI-A OF THE MARYLAND
11 CONSTITUTION, A COUNTY MAY ENACT A LAW TO PROVIDE FOR THE ISSUANCE
12 OF BONDS TO FINANCE THE COSTS OF TRANSPORTATION IMPROVEMENTS FOR
13 WHICH THE PRINCIPAL, INTEREST, AND ANY PREMIUM SHALL BE PAID FROM
14 AND SECURED BY SPECIAL TAXES COLLECTED BY THE COUNTY IN A SPECIAL
15 TAXING DISTRICT.

16 (C) (1) BONDS ISSUED UNDER THIS SECTION ARE SPECIAL
17 OBLIGATIONS OF THE COUNTY AND DO NOT CONSTITUTE A GENERAL
18 OBLIGATION DEBT OF THE COUNTY OR A PLEDGE OF THE COUNTY'S FULL FAITH
19 AND CREDIT OR GENERAL TAXING POWER.

20 (2) BONDS ISSUED UNDER THIS SECTION MAY BE SOLD IN ANY
21 MANNER, EITHER AT PUBLIC OR PRIVATE SALE AND ON TERMS AS THE COUNTY
22 DEEMS BEST.

23 (3) BONDS ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO
24 ARTICLE 31, §§ 10 AND 11 OF THE CODE.

25 (4) BONDS ISSUED UNDER THIS SECTION, THEIR TRANSFER, THE
26 INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM,
27 INCLUDING ANY PROFIT REALIZED ON THEIR SALE OR EXCHANGE, SHALL BE
28 EXEMPT AT ALL TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE
29 STATE, A COUNTY, OR A MUNICIPAL CORPORATION.

30 (5) BONDS ISSUED UNDER THIS SECTION SHALL BE TREATED AS
31 SECURITIES TO THE SAME EXTENT AS BONDS ISSUED UNDER § 9-1301 OF THIS
32 SUBTITLE.

33 (D) IN ADDITION TO THE SPECIAL TAXES, BONDS ISSUED UNDER THIS
34 SECTION MAY BE SECURED BY OTHER REVENUES GENERATED WITHIN THE
35 SPECIAL TAXING DISTRICT.

1 **(E) THE POWERS GRANTED UNDER THIS SECTION SHALL BE REGARDED**
 2 **AS SUPPLEMENTAL AND ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS,**
 3 **AND MAY NOT BE REGARDED AS IN DEROGATION OF ANY POWERS NOW**
 4 **EXISTING, INCLUDING POWERS TO ISSUE SPECIAL OBLIGATION DEBT UNDER**
 5 **THIS ARTICLE, ARTICLE 25, ARTICLE 25A, OR ARTICLE 25B OF THE CODE.**

6 **(F) THIS SECTION, BEING NECESSARY FOR THE WELFARE OF THE**
 7 **STATE AND ITS RESIDENTS, SHALL BE LIBERALLY CONSTRUED TO EFFECT ITS**
 8 **PURPOSES.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 10 October 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.