

# HOUSE BILL 1198

C8, L4, L5

6lr0833

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By: **Prince George's County Delegation and Montgomery County Delegation**  
Introduced and read first time: February 12, 2016  
Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – Maryland–National Capital Park and Planning**  
3 **Commission – Extraordinary Development District**

4 **PG/MC 109–16**

5 FOR the purpose of authorizing the designation of an extraordinary development district  
6 for certain purposes; authorizing the Maryland–National Capital Park and Planning  
7 Commission to pledge certain property taxes to a certain special fund for an  
8 extraordinary development district under certain circumstances; providing that a  
9 certain agreement regarding an extraordinary development district must be  
10 executed by the Commission and the governing body of Prince George's County;  
11 providing that the Commission may not enter into a certain agreement regarding an  
12 extraordinary development district until certain resolutions are adopted or  
13 approved; defining a term; altering a certain definition; and generally relating to  
14 extraordinary development districts in Prince George's County.

15 BY repealing and reenacting, with amendments,  
16 Article – Economic Development  
17 Section 12–201 and 12–210  
18 Annotated Code of Maryland  
19 (2008 Volume and 2015 Supplement)

20 BY adding to  
21 Article – Land Use  
22 Section 18–310  
23 Annotated Code of Maryland  
24 (2012 Volume and 2015 Supplement)

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

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



**Article – Economic Development**

12–201.

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

(b) “Adjusted assessable base” means the fair market value of real property that qualifies for a farm or agricultural use under § 8–209 of the Tax – Property Article, without regard to the agricultural use assessment for the property as of January 1 of the year preceding the effective date of the resolution creating the development district under § 12–203 of this subtitle.

(c) “Assessable base” means the total assessable base, as determined by the Supervisor of Assessments or the governing body in accordance with § 12–203(b) of this subtitle, of all real property subject to taxation in a development district or a sustainable community.

(d) (1) “Assessment ratio” means a real property tax assessment ratio, however designated or calculated, that is used under applicable general law to determine the assessable base.

(2) “Assessment ratio” includes the assessment percentage specified under § 8–103(c) of the Tax – Property Article.

(e) “Bond” means a revenue bond, note, or other similar instrument issued in accordance with this subtitle by:

(1) a political subdivision; or

(2) the revenue authority of Prince George’s County.

(f) “Chief executive” means the president, chair, mayor, or other chief executive officer of a political subdivision or the revenue authority of Prince George’s County.

(g) “Development” includes new development, redevelopment, revitalization, and renovation.

(h) (1) “Development district” means a contiguous area designated by a resolution.

(2) **“DEVELOPMENT DISTRICT” INCLUDES AN EXTRAORDINARY DEVELOPMENT DISTRICT.**

(i) **“EXTRAORDINARY DEVELOPMENT DISTRICT” MEANS A DEVELOPMENT DISTRICT THAT:**

1           **(1) IS DESIGNATED AS SUCH BY RESOLUTION; AND**

2           **(2) CONTAINS AT LEAST 50 ACRES, ON ALL OR PART OF WHICH A**  
3 **FEDERAL LAW ENFORCEMENT AGENCY WILL BE LOCATED.**

4           **[(i)] (J)**       “Issuer” means a political subdivision or the revenue authority of Prince  
5 George’s County that issues a bond under this subtitle.

6           **[(j)] (K)**       “MEDCO obligation” means a bond, note, or other similar instrument  
7 that the Maryland Economic Development Corporation issues under authority other than  
8 this subtitle to finance the cost of infrastructure improvements located in or supporting a  
9 transit-oriented development, a sustainable community, or a State hospital  
10 redevelopment.

11          **[(k)] (L)**       “Original base” means the assessable base:

12           (1) as of January 1 of the year preceding the effective date of the resolution  
13 creating the development district under § 12–203 of this subtitle; or

14           (2) if the political subdivision determined the original base in accordance  
15 with § 12–203(b) of this subtitle, the base value as established in the resolution.

16          **[(l)] (M)**       “Original full cash value” means the dollar amount that is determined  
17 by dividing the original base by the assessment ratio used to determine the original base.

18          **[(m)] (N)**       “Original taxable value” means for any tax year the dollar amount that  
19 is:

20           (1) the adjusted assessable base, if an adjusted assessable base applies; or

21           (2) in all other cases, the lesser of:

22               (i) the product of multiplying the original full cash value by the  
23 assessment ratio applicable to that tax year; and

24               (ii) the original base.

25          **[(n)] (O)**       “Political subdivision” means a county or a municipal corporation.

26          **[(n–1)] (P)**      “RISE zone” means an area designated as a Regional Institution  
27 Strategic Enterprise zone under § 5–1404 of this article.

28          **[(o)] (Q)**       “State hospital redevelopment” means any combination of private or  
29 public commercial, residential, or recreational uses, improvements, and facilities that:

1 (1) is part of a comprehensive coordinated development plan or strategy  
2 involving:

3 (i) property that was occupied formerly by a State facility, as  
4 defined in § 10–101 of the Health – General Article, or a State residential center, as defined  
5 in § 7–101 of the Health – General Article; or

6 (ii) property that is adjacent or reasonably proximate to property  
7 that was occupied formerly by a State facility, as defined in § 10–101 of the Health –  
8 General Article, or a State residential center, as defined in § 7–101 of the Health – General  
9 Article;

10 (2) in accordance with design development principles, maximizes use of the  
11 property by those constituencies it is intended to serve; and

12 (3) is designated as a State hospital redevelopment by:

13 (i) the Smart Growth Subcabinet established under § 9–1406 of the  
14 State Government Article; and

15 (ii) the local government or multicounty agency with land use and  
16 planning responsibility for the relevant area.

17 **[(p)] (R)** (1) “Sustainable community” has the meaning stated in § 6–201 of  
18 the Housing and Community Development Article.

19 (2) “Sustainable community” includes a portion of a sustainable  
20 community.

21 **[(q)] (S)** “Tax increment” means for any tax year the amount by which the  
22 assessable base as of January 1 of the preceding tax year exceeds the original base taxable  
23 value divided by the assessment ratio used to determine the original taxable value.

24 **[(r)] (T)** “Tax year” means the period from July 1 of a calendar year through  
25 June 30 of the next calendar year.

26 **[(s)] (U)** “Transit-oriented development” has the meaning stated in § 7–101 of  
27 the Transportation Article.

28 12–210.

29 (a) (1) Subject to paragraph (2) of this subsection, the governing body of a  
30 political subdivision that is not the issuer may pledge under an agreement that its property  
31 taxes levied on the tax increment shall be paid into the special fund for the development  
32 district, a RISE zone, or a sustainable community.

33 (2) The agreement shall:

1 (i) be in writing;

2 (ii) be executed by the governing bodies of the issuer and the political  
3 subdivision making the pledge; and

4 (iii) run to the benefit of and be enforceable on behalf of any  
5 bondholder.

6 **(3) (I) THIS PARAGRAPH APPLIES ONLY IN PRINCE GEORGE'S**  
7 **COUNTY.**

8 **(II) SUBJECT TO § 18-310 OF THE LAND USE ARTICLE, THE**  
9 **MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION MAY PLEDGE**  
10 **UNDER AN AGREEMENT THAT ITS PROPERTY TAXES LEVIED ON THE TAX INCREMENT**  
11 **IN AN EXTRAORDINARY DEVELOPMENT DISTRICT IN PRINCE GEORGE'S COUNTY**  
12 **SHALL BE PAID INTO A SPECIAL FUND FOR THE EXTRAORDINARY DEVELOPMENT**  
13 **DISTRICT.**

14 **(III) THE AGREEMENT AUTHORIZED UNDER SUBPARAGRAPH (II)**  
15 **OF THIS PARAGRAPH SHALL:**

16 **1. BE IN WRITING;**

17 **2. BE EXECUTED BY THE GOVERNING BODY OF PRINCE**  
18 **GEORGE'S COUNTY AND THE MARYLAND-NATIONAL CAPITAL PARK AND**  
19 **PLANNING COMMISSION; AND**

20 **3. RUN TO THE BENEFIT OF AND BE ENFORCEABLE ON**  
21 **BEHALF OF ANY BONDHOLDER.**

22 (b) The governing body of Prince George's County may also pledge hotel rental  
23 tax revenues to the special fund.

24 (c) The governing body of a political subdivision, including the issuer, may pledge  
25 by or under a resolution, including by an agreement with the issuer, as applicable, that  
26 alternative local tax revenues generated within, or that are otherwise determined to be  
27 attributable to, a development district that is a transit-oriented development, a RISE zone,  
28 a sustainable community, or a State hospital redevelopment be paid, as provided in the  
29 resolution, into the special fund to:

30 (1) secure the payment of debt service on bonds or MEDCO obligations; or

31 (2) be applied to the other purposes stated in § 12-209 of this subtitle.

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**Article – Land Use**2 **18-310.**

3 **THE COMMISSION MAY NOT ENTER INTO AN AGREEMENT TO PLEDGE ITS**  
4 **PROPERTY TAXES INTO A SPECIAL FUND FOR AN EXTRAORDINARY DEVELOPMENT**  
5 **DISTRICT UNDER § 12-210 OF THE ECONOMIC DEVELOPMENT ARTICLE UNTIL:**

6 **(1) THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY HAS**  
7 **ADOPTED A RESOLUTION DESIGNATING THE EXTRAORDINARY DEVELOPMENT**  
8 **DISTRICT; AND**

9 **(2) THE PLANNING BOARD OF PRINCE GEORGE’S COUNTY HAS**  
10 **APPROVED A RESOLUTION IN SUPPORT OF THE AGREEMENT.**

11 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**  
12 **1, 2016.**