

HOUSE BILL 942

C8, C9

5lr2925

By: **Delegate Schindler**

Introduced and read first time: January 31, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Tax Increment Financing – Noncontiguous Areas**

3 FOR the purpose of authorizing the designation of certain noncontiguous areas as
4 development districts; authorizing the use of the Community Development
5 Administration in the Department of Housing and Community Development to issue
6 certain bonds; and generally relating to tax increment financing for noncontiguous
7 areas.

8 BY renumbering

9 Article – Economic Development

10 Section 12–201(e) through (u)

11 to be Section 12–201(f) through (v), respectively

12 Annotated Code of Maryland

13 (2024 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, without amendments,

15 Article – Economic Development

16 Section 12–201(a)

17 Annotated Code of Maryland

18 (2024 Replacement Volume and 2024 Supplement)

19 BY adding to

20 Article – Economic Development

21 Section 12–201(e)

22 Annotated Code of Maryland

23 (2024 Replacement Volume and 2024 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Economic Development

26 Section 12–201(i)

27 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2024 Replacement Volume and 2024 Supplement)
 2 (As enacted by Section 1 of this Act)

3 BY repealing and reenacting, with amendments,
 4 Article – Economic Development
 5 Section 12–202, 12–203(a)(1), and 12–204
 6 Annotated Code of Maryland
 7 (2024 Replacement Volume and 2024 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 9 That Section(s) 12–201(e) through (u) of Article – Economic Development of the Annotated
 10 Code of Maryland be renumbered to be Section(s) 12–201(f) through (v), respectively.

11 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 12 as follows:

13 **Article – Economic Development**

14 12–201.

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

16 **(E) “BLIGHTED AREA” MEANS AN AREA IN WHICH A MAJORITY OF**
 17 **BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE,**
 18 **DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THAT THEY NO LONGER JUSTIFY**
 19 **FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.**

20 (i) (1) “Development district” means a contiguous **OR NONCONTIGUOUS** area
 21 designated by a resolution.

22 (2) “Development district” includes an extraordinary development district.

23 12–202.

24 (a) (1) This subtitle is self-executing.

25 (2) A political subdivision need not amend its charter to exercise the
 26 powers granted by this subtitle.

27 (b) **(1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
 28 **SUBSECTION, THIS subtitle does not apply in Baltimore City.**

29 **(2) THE PROVISIONS OF §§ 12–203(A)(1) AND 12–204(G) OF THIS**
 30 **SUBTITLE PERTAINING TO NONCONTIGUOUS BLIGHTED AREAS APPLY IN**
 31 **BALTIMORE CITY.**

1 12-203.

2 (a) Before issuing bonds, the governing body of the political subdivision shall:

3 (1) by resolution:

4 (i) designate a contiguous area within its jurisdiction as a
5 development district;

6 (ii) **DESIGNATE A NONCONTIGUOUS BLIGHTED AREA WITHIN**
7 **ITS JURISDICTION AS A DEVELOPMENT DISTRICT;**

8 **(III)** identify an area that has been designated a sustainable
9 community; or

10 ~~[(iii)]~~ **(IV)** identify an area that has been designated a RISE zone;

11 12-204.

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

14 (b) To issue bonds under this subtitle, the governing body of a political subdivision
15 shall adopt an ordinance that:

16 (1) describes the proposed undertaking; and

17 (2) states:

18 (i) that the governing body has complied with §§ 12-203 and
19 12-208(c) and (d) of this subtitle;

20 (ii) the maximum principal amount of the bonds; and

21 (iii) the maximum rate of interest on the bonds.

22 (c) The ordinance may specify the following for bonds issued to carry out the
23 financing of the proposed undertaking:

24 (1) the principal amount;

25 (2) the rate of interest;

26 (3) the manner and terms of sale;

27 (4) the time of execution, issuance, and delivery;

1 (5) the form and denomination;

2 (6) the manner in which, and the times and places at which principal and
3 interest shall be paid;

4 (7) conditions for redemption before maturity; or

5 (8) other provisions consistent with this subtitle that the governing body of
6 the political subdivision determines are necessary or desirable.

7 (d) The revenue authority of Prince George's County may issue bonds in
8 accordance with an ordinance adopted by the governing body of Prince George's County.

9 (e) The ordinance may specify the items listed in subsection (c) of this section or
10 may authorize:

11 (1) the finance board to specify those items by resolution or ordinance; or

12 (2) the chief executive to specify those items by executive order.

13 (f) (1) Except as provided in paragraph (2) of this subsection, neither an
14 ordinance authorizing the bonds nor an ordinance, resolution, or executive order issued,
15 passed, or adopted under this section may be subject to referendum because of any other
16 State or local law.

17 (2) An ordinance that authorizes the pledge of the full faith and credit of a
18 political subdivision to the payment of principal and interest on a bond is subject to any
19 applicable right to referendum.

20 **(G) IF THE DEVELOPMENT DISTRICT IS A NONCONTIGUOUS BLIGHTED**
21 **AREA, THE GOVERNING BODY OF A POLITICAL SUBDIVISION MAY UTILIZE THE**
22 **COMMUNITY DEVELOPMENT ADMINISTRATION WITHIN THE DEPARTMENT OF**
23 **HOUSING AND COMMUNITY DEVELOPMENT TO ISSUE BONDS AUTHORIZED BY AN**
24 **ORDINANCE ADOPTED UNDER THIS SECTION.**

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2025.