

Chapter 536

(House Bill 135)

AN ACT concerning

Economic Development – Tax Increment Financing – Noncontiguous Areas

FOR the purpose of authorizing the governing body of a political subdivision to designate certain noncontiguous areas as development districts; and generally relating to tax increment financing for noncontiguous areas.

BY renumbering

Article – Economic Development

Section 12–201(e) through (u)

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

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 12–201(a)

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

BY adding to

Article – Economic Development

Section 12–201(e)

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 12–201(i)

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 12–202 and 12–203(a)(1)

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

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

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

Article – Economic Development

12–201.

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

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

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

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

12–202.

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

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

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

(2) THE PROVISIONS OF § 12–203(A)(1)(II) OF THIS SUBTITLE PERTAINING TO NONCONTIGUOUS BLIGHTED AREAS APPLY IN BALTIMORE CITY.

12–203.

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

(1) by resolution:

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

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

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

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

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, May 12, 2026.