

SENATE BILL 287

C8
HB 942/25 – W&M

6lr0707
CF HB 135

By: **Senator McCray**

Introduced and read first time: January 21, 2026

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 12, 2026

CHAPTER _____

1 AN ACT concerning

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

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

6 BY renumbering

7 Article – Economic Development

8 Section 12–201(e) through (u)

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

10 Annotated Code of Maryland

11 (2024 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – Economic Development

14 Section 12–201(a)

15 Annotated Code of Maryland

16 (2024 Replacement Volume and 2025 Supplement)

17 BY adding to

18 Article – Economic Development

19 Section 12–201(e)

20 Annotated Code of Maryland

21 (2024 Replacement Volume and 2025 Supplement)

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 BY repealing and reenacting, with amendments,
 2 Article – Economic Development
 3 Section 12–201(i)
 4 Annotated Code of Maryland
 5 (2024 Replacement Volume and 2025 Supplement)
 6 (As enacted by Section 1 of this Act)

7 BY repealing and reenacting, with amendments,
 8 Article – Economic Development
 9 Section 12–202 and 12–203(a)(1)
 10 Annotated Code of Maryland
 11 (2024 Replacement Volume and 2025 Supplement)

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

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

17 **Article – Economic Development**

18 12–201.

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

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

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

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

27 12–202.

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

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

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

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

3 12-203.

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

5 (1) by resolution:

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

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

10 (iii) identify an area that has been designated a sustainable
11 community; or

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.