

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2024 Legislative Session

Bill No. CB-038-2024
 Chapter No. 37
 Proposed and Presented by The Chair (by request – County Executive)
 Introduced by Council Members Ivey, Blegay, Watson, Hawkins and Oriadha
 Co-Sponsors _____
 Date of Introduction June 18, 2024

BILL

1 AN ACT concerning

2 Prince George's County – Business Improvement Districts

3 For the purpose of codifying the process by which districts within Prince George's County may
 4 establish a Business Improvement District.

5 BY adding:

6 SUBTITLE 10. FINANCE AND TAXATION.

7 Sections 10-348 through 10-358,

8 The Prince George's County Code

9 (2019 Edition; 2022 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 11 Maryland, that Sections 10-348 through 10-358 of the Prince George's County Code be and the
 12 same are hereby added:

13 **SUBTITLE 10. FINANCE AND TAXATION.**

14 **DIVISION 33. PRINCE GEORGE'S COUNTY – BUSINESS IMPROVEMENT**
 15 **DISTRICTS.**

16 **Sec. 10-348. Definitions.**

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

18 (1) “Board” means the Board of Directors of a District Corporation.

19 (2) “Commercial Tenant” means a lessee or other lawful occupant, other than the
 20 owner of nonexempt property within a district.

21 (3) “Condominium” has the meaning stated in § 11–101 of the Maryland Real

Property Article.

- (4) “Cooperative Housing Corporation” has the meaning stated in § 5–6B–01 of the Maryland Corporations and Associations Article.
- (5) “District” means a business improvement district established under this subtitle.
- (6) “District corporation” means a business improvement district corporation formed in accordance with this subtitle.
- (7) “Formation steering committee” means the group of stakeholders responsible for leading the formation of a district and preparing the application in accordance with section 10-354 of this subtitle.
- (8) “Homeowners association” has the meaning stated in § 11B–101 of the Maryland Real Property Article.
- (9) “Members of the district” means owners of nonexempt property, commercial tenants, and residents in the district.
- (10) “Nonexempt property” means all real property that is not exempt from paying real property taxes except:
- a. Condominium units and cooperative housing corporations units that exist on or before the date of establishment of the district;
 - b. Homeowners associations; or
 - c. Residential property with fewer than four dwelling units.
- (11) “Parcel” means a lot or acreage plat, lawfully recorded among the Land Records of Prince George’s.
- (12) “Plat” means a drawing prepared at an appropriate scale to show the results of the findings and conclusions of a survey, and in accordance with the regulations for the state of Maryland.
- (13) “Property” means real property or any interest therein or appurtenant thereto.
- (14) “Resident” means an individual whose primary residence is within a district, including a renter or an owner of residential property, regardless of whether the individual resides on nonexempt property or exempt property.

Sec. 10-349. Legislative Intent.

- (a) Provide for the creation of business improvement districts within Prince George’s County; and

- (b) Promote the general welfare of the residents, employers, employees, property owners, commercial tenants, consumers, and the general public within the geographic area of the business improvement districts.

Sec. 10-350. Establishment.

- (a) Subject to a public hearing under section 10-356 of this subtitle and to accomplish a legislative purpose listed in section 10-349 of this subtitle, the governing body of the county may adopt a local law to create a business improvement district in accordance with this subtitle.
- (b) A local law adopted under this section must include:
- (1) The name of the district corporation;
 - (2) That the district corporation is formed under this subtitle;
 - (3) The names, addresses, and terms of office of the interim members of the board of directors of the district corporation;
 - (4) The address of the principal office of the district corporation;
 - (5) The purposes for which the district is formed;
 - (6) The powers of the district, subject to the limitations on the powers of districts under the subtitle; and
 - (7) If applicable, articles of incorporation of the district corporation.

Sec. 10-351. Board of Directors.

- (a) A formal Board of Directors shall govern the district corporation.
- (b) Subject to paragraphs (c) through (e) of this subsection:
- (1) Except as provided in (2) of this paragraph, the board of a district corporation consists of at least nine members; or
 - (2) The governing body of the county may determine a different number of members for the board if the district is connected with a business improvement district in another county or state or in the District of Columbia.
- (c) Board Nomination Committee
1. The Board Nomination Committee shall consist of 7 members: Deputy Chief Administrative Officer, County Council District, Municipality representative or delegate only if the BID is within a municipality, 2 property owners (1 property owner above a certain assessed value, 1 below), 1 business owner, and 1 resident.

2. It shall be the responsibility of the board nomination committee to elect the initial board. Members of the Board of Nomination may not vote for themselves/entity.

(d) Initial Board of Directors

1. It shall be the responsibility of the initial board of the business improvement district to determine the district's bylaws the specific details pertaining to board structure, including the specific number of positions, terms, and voting procedures.
2. The Initial Board shall consist of 9 voting members and 6 non-voting members.
 - a. Voting members consist of: 5 property owners, 2 businesses, and 2 multifamily residents and the Executive Director, upon appointment.
 - b. Nonvoting members consist of a representative of the following: Maryland State Senate, Maryland State House of Delegates, County Council District, Municipality, Single Family Home/Condo resident, and a representative of a local nonprofit, institution, or community service provider .
3. Members will serve 1-2 years during the initial BID establishment.
4. Initial board members will elect formal board members on a staggered basis, beginning after 1 year of establishment.

(e) Formal Board of Directors

- a. The board shall be representative of property owners, business owners, residents, and representatives of the local jurisdictions within the boundaries of the business improvement district. The board should generally consist of 50% property owners, 30% business owners, 10% residents, and 10 % representatives of local nonprofit, institution, or community service provider..
- b. The board shall retain as voting members an Executive Director, and at least 5 property Owners, 2 businesses, 2 multifamily residents.
- c. The board shall retain as nonvoting members the member of the senate of Maryland and members of the House of Delegates who represent the legislative district where a district corporation is established. The board shall also retain as nonvoting members the member of the County Council District, the City, a Single family/Condo Resident and Community Service stakeholder.
- d. From among its members the board must elect a chair and other officers.

- 1 e. Formal Board members will serve terms according to the bylaws of the Business
 2 Improvement District.
- 3 (f) Quorum
- 4 (1) A majority of the voting members of the board is a quorum.
- 5 (2) The board may act on a resolution only by the affirmative vote of a majority of
 6 the voting members.
- 7 (g) A member of the board:
- 8 (1) May not receive compensation as a member of the board; but
- 9 (2) Must be reimbursed for expenses incurred in performing the duties.
- 10 (h) Board seats designated for property owners must be filled by owners (or authorized
 11 representatives) of nonexempt properties that are paying an assessment;
- 12 (i) Board seats designated for businesses must be filled by owners (or authorized
 13 representatives) of business that lease space in a nonexempt property that is paying an
 14 assessment;
- 15 (j) Board seats designated for residents must be filled by individuals whose primary
 16 residence is in a nonexempt property that is paying an assessment.
- 17 (k) The board must exercise its powers by resolution.
- 18 (l) The board must file an annual report with the governing body of the county that
 19 includes:
- 20 (1) A financial statement for the preceding year;
- 21 (2) A proposed operating budget for the current fiscal year
- 22 (3) Any proposed revisions to the business plan; and
- 23 (4) A narrative statement or chart showing the results of operations in comparison to
 24 stated goals and objectives.

25 **Sec. 10-352. Net Earnings.**

- 26 (a) the net earnings of a district corporation may benefit only the district corporation.

27 **Sec. 10-353. Powers.**

- 28 (a) Except as limited by its articles of incorporation, a district corporation has all the
 29 powers set forth in this subtitle.
- 30 (b) A district corporation may:
- 31 (1) Receive money from its incorporating county, the state, other governmental units,

1 or nonprofit organizations;

2 (2) Charge fees for its services;

3 (3) Have employees and consultants as the district corporation considers necessary;
 4 and

5 (4) Use the services of other governmental units.

6 (c) A district corporation must operate and exercise its powers solely to accomplish one or
 7 more of the legislative purposes of this subtitle.

8 **Sec. 10-354. Documentation.**

9 (a) the formation steering committee seeking to establish a district corporation must
 10 submit appropriate documentation as described in subsection (b) of this section to
 11 the governing body of the county. The steering committee will submit the
 12 appropriate documentation to the Revenue Authority for Prince George's County,
 13 who will then provide the County Council with the application.

14 (b) Appropriate documentation required under subsection (a) of this section must
 15 contain:

16 (1) The statement setting forth:

- 17 a. The proposed name and address of the district corporations; and
 18 b. The street address of each owner of non exempt property and to the
 19 extent reasonably ascertainable, each commercial tenant within the
 20 proposed district;

21 (2) A statement expressing the intent to establish a district corporation that is
 22 signed by owners of at least 51% of the total number of parcels of nonexempt
 23 property and, subject to subsection (c) of this section, a designated board
 24 member of a condominium or cooperative housing corporation within the
 25 proposed district;

26 (3) A proposed 5-year business plan that contains:

- 27 a. The goals and objectives of the proposed district;
 28 b. The annual proposed business improvement district tax for the
 29 proposed district's common operations and the formula used to
 30 determine each member's district tax; and
 31 c. The maximum amount and the nature of start-up costs incurred before

- 1 the district's establishment;
- 2 d. A tax assessor's map of the geographic area of the proposed district;
- 3 e. A list of the proposed interim board of the proposed district
- 4 corporation; and
- 5 f. For all nonexempt property within the proposed district;
- 6 i. The name and mailing address of each owner; and
- 7 ii. The most recent assessed value.
- 8 (c) (1) Notwithstanding any other provision of this title, subject to paragraph (2) of
- 9 this subsection, a condominium or cooperative housing corporation that is located
- 10 in the proposed district may petition to join the district corporation.
- 11 (2) A condominium or cooperative housing corporation described under
- 12 paragraph (1) of this subsection may petition to join the district only if:
- 13 a. the condominium or cooperative housing corporation is governed by a
- 14 board;
- 15 b. the board votes to join the district corporation; and
- 16 c. the board has a representative member of the board sign the appropriate
- 17 documents required under subsection (b)(2)) of this section.
- 18 (3) For the purposes of the votes cast under subsection (b)(2) of this section:
- 19 a. a condominium or cooperative housing corporation must be considered a
- 20 single parcel; and
- 21 b. the decision reached by the board must constitute the vote of the
- 22 condominium or cooperative housing corporation.
- 23 (d) within 45 days after receiving all appropriate documentation under subsection (b)
- 24 of this section, the governing body of the county must schedule a public hearing on the
- 25 application.

26 **Sec. 10-355. Administrative Authority of the County Executive.**

- 27 (a) Notwithstanding any other provisions of this title, the County Executive, or their
- 28 designee, shall proceed with administrative tasks or processes required to initiate the
- 29 administration of a BID.

30 **Sec. 10-356. Public Hearing.**

- 31 (a) At least 21 calendar days before the public hearing, the governing body of the county

1 must publish notice of the public hearing in a newspaper of general circulation within the
 2 geographic area of the proposed district.

3 (b) The foundation steering committee seeking to establish a district must send notice of the
 4 public hearing and a summary of the application to each owner of nonexempt property and to the
 5 extent reasonably ascertainable, each commercial tenant of nonexempt property within the
 6 proposed district by:

7 (1) at least 90 days before the public hearing; or

8 (2) when owners of at least 20% of the total number of parcels of nonexempt property
 9 express the intent to establish a district.

10 (c) Before the public hearing, the applications must be made available for review during
 11 normal business hours in at least one location in the proposed district.

12 (d) within 10 calendar days after the public hearing if the governing body of the county
 13 determines, in the sole discretion of the governing body, that the needs of the district meet a
 14 purpose of this subtitle, the governing body may authorize the district in accordance with section
 15 10-350 of this subtitle.

16 **Sec. 10-357. Funding.**

17 (a) Within 10 calendar days after the authorization of the district by the governing body of
 18 the county, the district corporation must provide the governing body of the county with a
 19 preliminary business improvement district tax roll.

20 (b) Imposition of business improvement district tax.

21 (1) the Governing body of the county must impose a business improvement district tax
 22 to provide funds for the operation of the district tax to provide funds for the operation of the
 23 district.

24 (2) the governing body of the county must impose on members of the district who are
 25 owners of nonexempt property the district tax at a rate specified by the board and approved by
 26 the governing body

27 (3) The tax imposed under this subsection may not county against a county tax cap.

28 (c) the district tax must be collected in the same manner as real property taxes are
 29 collected and distributed each quarter to the district.

30 (d) a district must reimburse the governing body of the county for the costs incurred in
 31 collecting the district tax.

Sec. 10-358. Expansion of District.

(a) An established district may expand the geographic area of the district if:

(1) A petition for inclusion is submitted from owners of at least 51% of the total number of parcels of nonexempt property and subject to subsection (b) of this section, a designated board member of a condominium or cooperative housing corporation proposed for including in the district;

(2) the petition under item (1) of this subsection is accepted by a majority vote of the board of the district corporation; and

(3) the appropriate documents, as applicable, are submitted under §12-609 of the Economic Development Article of the Annotated Code of Maryland and this subtitle and a hearing is held under §12-609 of the Economic Development Article and this subtitle.

(b) (1) Notwithstanding any other provisions of this subject to paragraph (2) of this subsection, a condominium or cooperative housing corporation that is located in the proposed expanded geographic area of the district may petition to join the expansion.

(2) A condominium or cooperative housing corporation described under paragraph (1) of this subsection may petition to join the expansion only if:

a. the condominium or cooperative housing corporation is governed by a board;

b. the board votes to join the district corporation; and

c. the board has a representative member of the board sign the appropriate documents required under section 10-354 under this subtitle.

(3) For the purposes of the votes cast under subsection (a)(1) of this section:

a. A condominium or cooperative housing corporation must be considered a single parcel; and

b. the decision reached by the board must constitute the vote of the condominium or cooperative housing corporation.

Sec. 10-359. Review.

(a) The governing body of the county must:

(1) Review the effectiveness and desirability of continuing the District every 3 years beginning from the time this Act takes effect; and

(2) Develop policies and procedures for evaluating the desirability of continuing the

1 District if requested by members of the District.

2 (b) if the continuing existence of the district is not approved by the governing body:

3 (1) the district must cease to exist as directed by the governing body; and

4 (2) the district corporation must continue its existence only as long as necessary to
5 terminate operation in a reasonable manner.

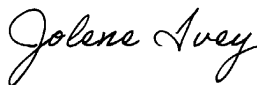
6 * * * * *

7 SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby
8 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
9 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
10 competent jurisdiction, such invalidity or unconstitutionality must not affect the remaining
11 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
12 Act, since the same would have been enacted without the incorporation in this Act of any such
13 invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection,
14 or section.

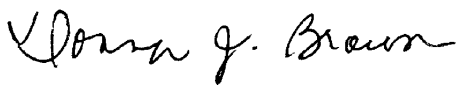
15 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect on forty-five (45)
16 calendar days after it becomes law.

Adopted this 16th day of July, 2023.


COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: 
Thomas E. Dernoga
Chair

ATTEST:


Donna J. Brown
Clerk of the Council

APPROVED:

DATE: 8/1/24 BY: 
Angela D. Alsobrooks
County Executive

KEY:

Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.

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