

HOUSE BILL 1407

C8, L6, Q8

6lr1254

By: **Delegates Smith and Hixson**

Introduced and read first time: February 12, 2016

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Business Improvement Districts**

3 FOR the purpose of altering a certain definition of “nonexempt property” to include all real
4 property; altering the number of signatures needed on certain documentation
5 required to establish a business improvement district corporation; altering the
6 criteria for expanding an existing business improvement district; and generally
7 relating to business improvement districts and district corporations.

8 BY repealing and reenacting, with amendments,

9 Article – Economic Development

10 Section 12–401(g), 12–407, and 12–410

11 Annotated Code of Maryland

12 (2008 Volume and 2015 Supplement)

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

15 **Article – Economic Development**

16 12–401.

17 (g) “Nonexempt property” means [nonresidential] ALL real property that is not
18 exempt from paying real property taxes.

19 12–407.

20 (a) The owners of nonexempt property who seek to establish a district corporation
21 shall submit appropriate documentation as described in subsection (b) of this section to:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) the governing body of the county in which the proposed district is
2 located; and

3 (2) if the proposed district is located within a municipal corporation, the
4 governing body of the municipal corporation.

5 (b) The appropriate documentation required under subsection (a) of this section
6 shall contain:

7 (1) a statement setting forth:

8 (i) the proposed name and address of the district corporation; and

9 (ii) the street address of each owner of nonexempt property within
10 the proposed district;

11 (2) a statement expressing the intent to establish a district corporation
12 that is signed by **OWNERS OF** at least [80% of the owners of the total number of parcels of]
13 **51% INTEREST IN THE ASSESSED VALUE OF THE** nonexempt property in the geographic
14 area of the proposed district;

15 (3) a proposed 3-year business plan that contains:

16 (i) the goals and objectives of the proposed district;

17 (ii) the annual proposed business improvement district tax for the
18 proposed district's common operations and the formula used to determine each member's
19 district tax; and

20 (iii) the maximum amount and the nature of start-up costs incurred
21 before the district's establishment;

22 (4) a tax assessor's map of the geographic area of the proposed district;

23 (5) a list of the proposed initial board of the proposed district corporation;

24 (6) the proposed articles of incorporation and the bylaws of the district
25 corporation;

26 (7) for all nonexempt property within the proposed district:

27 (i) the name and mailing address of each owner; and

28 (ii) the most recent assessed value; and

29 (8) a list of the names and addresses of all commercial tenants within the
30 geographic area of the proposed district.

1 (c) Within 45 days after receiving all appropriate documentation under
2 subsection (b) of this section, the governing body of a county or municipal corporation shall
3 schedule a public hearing on the application.

4 12-410.

5 An established district may expand the geographic area of the district if:

6 (1) a petition for inclusion is submitted from **OWNERS OF** at least [80% of
7 the owners of the total number of parcels of] **51% INTEREST IN THE ASSESSED VALUE**
8 **OF THE** nonexempt property in the geographic area proposed for inclusion in the district;

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

11 (3) the appropriate documents, as applicable, are submitted under §
12 12-407 of this subtitle and a hearing is held under § 12-408 of this subtitle.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2016.