

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 137

(Charles County Delegation)

Ways and Means

Budget and Taxation

Charles County - Taxing Districts for Infrastructure Improvements - Repeal of
Restriction

This bill repeals a restriction on Charles County's authority to establish special taxing districts. Under current law, the county may only establish special taxing districts in a commercial or light industrial zone. Pursuant to the bill, the county will be able to establish special taxing districts in other parts of the county.

Fiscal Summary

State Effect: None.

Local Effect: To the extent additional special taxing districts are established in Charles County, county administrative expenditures may increase. These expenditures, however, will be offset by additional taxes imposed within the special taxing districts.

Small Business Effect: Minimal.

Analysis

Current Law: Charles County may only establish a special taxing district in a commercial or light industrial zone.

The Local Government Article authorizes certain counties (Anne Arundel, Baltimore, Calvert, Cecil, Charles, Garrett, Harford, Howard, Prince George's, St. Mary's, Washington, and Wicomico) to establish special taxing districts, impose *ad valorem* or special taxes, and issue bonds to finance, refinance, or reimburse the cost of establishing, acquiring, designing, constructing, or extending adequate infrastructure improvements.

These improvements include storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit facilities, solid waste facilities, and other infrastructure improvements. These improvements may be situated within the special taxing district or outside the special taxing district if the infrastructure improvement is reasonably related to other infrastructure improvements within the special taxing district.

Charles County is also authorized to provide financing, refinancing, or reimbursement of costs for the purposes relating to the development of resort hotels and conference centers in a waterfront planned community. In addition, the county is authorized to impose a special hotel rental tax in the special taxing district to provide financing, refinancing, or reimbursement of costs relating to the development of resort hotels and conference centers in a waterfront planned community.

Background: The bill enables Charles County to establish special taxing districts outside of commercial and light industrial zones in order to fund common area improvements and maintenance such as stormwater management facilities, rural fire suppression, roads, and street lighting. Charles County advises that taxes would be billed, collected, and accumulated by the county until such time as the funds are needed for the specified improvements being undertaken. Charles County reports that the bill may have a positive impact on Charles County by allowing more diverse economically beneficial projects for the county to be financed through special taxing districts.

Charles County advises that there is currently one (Heritage Green) special taxing district in the county.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles County, Department of Legislative Services

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min/jrb

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