

# SENATE BILL 431

C8, L4

(0lr1325)

## ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Charles County Senators**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **Charles County – Tax Increment Financing and Special Taxing Districts**

3 FOR the purpose of authorizing Charles County to use the proceeds from the issuance of  
4 certain tax increment financing bonds for certain purposes in the Waldorf Urban  
5 Redevelopment Corridor; authorizing Charles County to establish a special taxing  
6 district, impose ad valorem or special taxes, and issue bonds to provide financing,  
7 refinancing, or reimbursement for certain costs; *making certain financing,*  
8 *refinancing, and reimbursement contingent on the review and approval of the Board*  
9 *of County Commissioners of Charles County; authorizing Charles County, in*  
10 *exercising certain authority, to establish minority business enterprise participation*  
11 *goals for certain development projects;* and generally relating to tax increment  
12 financing and special taxing districts in Charles County.

13 BY repealing and reenacting, without amendments,  
14 Article – Economic Development

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#### 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.

*Italics indicate opposite chamber / conference committee amendments.*



1 Section 12–203(a), 12–204(a), 12–207(a), and 12–209(a)  
2 Annotated Code of Maryland  
3 (2018 Replacement Volume and 2019 Supplement)

4 BY adding to  
5 Article – Economic Development  
6 Section 12–207(g)  
7 Annotated Code of Maryland  
8 (2018 Replacement Volume and 2019 Supplement)

9 BY repealing and reenacting, without amendments,  
10 Article – Local Government  
11 Section 21–503(a) and 21–504(a)  
12 Annotated Code of Maryland  
13 (2013 Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Local Government  
16 Section 21–521  
17 Annotated Code of Maryland  
18 (2013 Volume and 2019 Supplement)

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

21 **Article – Economic Development**

22 12–203.

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

24 (1) by resolution:

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

27 (ii) identify an area that has been designated a sustainable  
28 community; or

29 (iii) identify an area that has been designated a RISE zone;

30 (2) receive from the Supervisor of Assessments a certification of the  
31 amount of the original base, or if applicable, the adjusted assessable base; and

32 (3) pledge that until the bonds are fully paid, or a longer period, the real  
33 property taxes in the development district, a RISE zone, or a sustainable community shall  
34 be divided as follows:

1 (i) the portion of the taxes that would be produced at the current tax  
2 rate on the original taxable value base shall be paid to the respective taxing authorities in  
3 the same manner as taxes on other property are paid; and

4 (ii) the portion of the taxes on the tax increment that normally would  
5 be paid into the general fund of the political subdivision shall be paid into the special fund  
6 established under § 12–208 of this subtitle and applied in accordance with § 12–209 of this  
7 subtitle.

8 12–204.

9 (a) Notwithstanding any limitation of law, an issuer may issue bonds from time  
10 to time to finance the development of an industrial, commercial, or residential area.

11 12–207.

12 (a) Except as provided in subsections (b) and (e) of this section, bond proceeds  
13 may be used only:

14 (1) to buy, lease, condemn, or otherwise acquire property, or an interest in  
15 property:

16 (i) in the development district, a RISE zone, or a sustainable  
17 community; or

18 (ii) needed for a right-of-way or other easement to or from the  
19 development district, a RISE zone, or a sustainable community;

20 (2) for site removal;

21 (3) for surveys and studies;

22 (4) to relocate businesses or residents;

23 (5) to install utilities, construct parks and playgrounds, and for other  
24 needed improvements including:

25 (i) roads to, from, or in the development district;

26 (ii) parking; and

27 (iii) lighting;

28 (6) to construct or rehabilitate buildings for a governmental purpose or use;

29 (7) for reserves or capitalized interest;

1 (8) for necessary costs to issue bonds; and

2 (9) to pay the principal of and interest on loans, advances, or indebtedness  
3 that a political subdivision incurs for a purpose specified in this section.

4 **(G) IN ADDITION TO THE PURPOSES LISTED IN SUBSECTION (A) OF THIS**  
5 **SECTION, THE PROCEEDS FROM BONDS ISSUED BY CHARLES COUNTY MAY BE USED**  
6 **IN THE WALDORF URBAN REDEVELOPMENT CORRIDOR (WURC):**

7 **(1) FOR CONVENTION CENTERS, CONFERENCE CENTERS, OR**  
8 **VISITORS' CENTERS;**

9 **(2) TO MAINTAIN INFRASTRUCTURE IMPROVEMENTS, CONVENTION**  
10 **CENTERS, CONFERENCE CENTERS, OR VISITORS' CENTERS; AND**

11 **(3) TO MARKET DEVELOPMENT DISTRICT FACILITIES AND OTHER**  
12 **IMPROVEMENTS.**

13 12–209.

14 (a) Subject to subsection (c) of this section, the special fund for the development  
15 district, the RISE zone, or the sustainable community may be used for any of the following  
16 purposes as determined by the governing body of the political subdivision:

17 (1) a purpose specified in § 12–207 of this subtitle;

18 (2) accumulated to pay debt service on bonds to be issued later;

19 (3) payment or reimbursement of debt service, or payments under an  
20 agreement described in subsection (b) of this section, that the political subdivision is obliged  
21 under a general or limited obligation to pay, or has paid, on or relating to bonds issued by  
22 the State, a political subdivision, or the revenue authority of Prince George's County if the  
23 proceeds were used for a purpose specified in § 12–207 of this subtitle; or

24 (4) payment to the political subdivision for any other legal purpose.

25 **Article – Local Government**

26 21–503.

27 (a) For any purpose stated in § 21–504(a)(1) of this subtitle, a county may:

28 (1) establish a special taxing district;

29 (2) impose ad valorem or special taxes; and

1           (3)    issue bonds.

2  21-504.

3           (a)    The purpose of the authority granted under this subtitle is to:

4                (1)    finance, refinance, or reimburse the cost of establishing, acquiring,  
5 designing, constructing, altering, or extending adequate infrastructure improvements as  
6 necessary for the development and use of land in any defined geographic region in the  
7 county, including storm drainage systems, sewers, water systems, roads, bridges, culverts,  
8 tunnels, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools,  
9 transit facilities, and solid waste facilities; and

10           (2)    provide a source of funding for payment of costs of:

11                (i)    infrastructure improvements located in or supporting a  
12 transit-oriented development or a State hospital redevelopment; and

13                (ii)   operating and maintaining infrastructure improvements located  
14 in or supporting a transit-oriented development or a State hospital redevelopment.

15  21-521.

16           (a)    Charles County may exercise the authority granted under this subtitle to  
17 provide financing, refinancing, or reimbursement of costs for the purposes under §  
18 21-504(a) of this subtitle relating to the development of resort hotels and conference centers  
19 in a waterfront planned community.

20           (b)    (1)    In addition to imposing ad valorem or special taxes under this subtitle,  
21 Charles County may impose a hotel rental tax in a special taxing district to provide  
22 financing, refinancing, or reimbursement of costs for the purposes under § 21-504(a) of this  
23 subtitle relating to the development of resort hotels and conference centers in a waterfront  
24 planned community.

25                (2)    The taxes provided under this subtitle for payment of bonds and  
26 pledged to the special fund may include the hotel rental tax authorized under this  
27 subsection.

28                (3)    The hotel rental tax authorized under this subsection is in addition to  
29 the hotel rental tax authorized under Title 20, Subtitle 4 of this article.

30                (4)    The rate of the hotel rental tax authorized under this subsection may  
31 not exceed the rate of the hotel rental tax imposed under Title 20, Subtitle 4 of this article  
32 in effect on the day the governing body of Charles County establishes a special taxing  
33 district under this subtitle.

1 (5) The proceeds from the hotel rental tax authorized under this subsection  
2 may be used only for the purposes authorized under this subtitle.

3 (6) Charles County may not impose the hotel rental tax authorized under  
4 this subsection outside a special taxing district established under this subtitle.

5 (C) (1) CHARLES COUNTY MAY EXERCISE THE AUTHORITY GRANTED  
6 UNDER THIS SUBTITLE TO PROVIDE FINANCING, REFINANCING, OR  
7 REIMBURSEMENT FOR THE COST OF:

8 ~~(1)~~ (I) CONVENTION CENTERS, CONFERENCE CENTERS, AND  
9 VISITORS' CENTERS;

10 ~~(2)~~ (II) MAINTAINING INFRASTRUCTURE IMPROVEMENTS,  
11 CONVENTION CENTERS, CONFERENCE CENTERS, AND VISITORS' CENTERS; AND

12 ~~(3)~~ (III) MARKETING SPECIAL TAXING DISTRICT FACILITIES AND  
13 OTHER IMPROVEMENTS.

14 (2) ANY FINANCING, REFINANCING, OR REIMBURSEMENT PROVIDED  
15 UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE CONTINGENT ON THE  
16 REVIEW AND APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF CHARLES  
17 COUNTY.

18 (3) IN EXERCISING ITS AUTHORITY UNDER PARAGRAPH (1) OF THIS  
19 SUBSECTION, CHARLES COUNTY MAY ESTABLISH MINORITY BUSINESS ENTERPRISE  
20 PARTICIPATION GOALS FOR EACH DEVELOPMENT PROJECT WHOLLY OR PARTLY  
21 FINANCED THROUGH BONDS ISSUED UNDER THIS SUBSECTION.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2020.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.