

SENATE BILL 985

C8, L6

4lr1736
CF HB 692

By: **Senator Lewis Young**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – County or Municipality Economic Development**
3 **Authority – Powers and Use of Proceeds**

4 FOR the purpose of expanding the acceptable names authorized for an economic
5 development authority established by a county or municipal corporation; expanding
6 the powers of an authority, subject to limitations in the articles of incorporation of
7 the authority; authorizing an authority to issue certain bonds in accordance with
8 certain requirements; expanding the authorized uses of tax increment proceeds; and
9 generally relating to county and municipal economic development.

10 BY repealing and reenacting, without amendments,
11 Article – Economic Development
12 Section 12–101(a) and 12–201(a)
13 Annotated Code of Maryland
14 (2018 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Economic Development
17 Section 12–101(b), 12–105, 12–107, 12–109, 12–201(e), (f), and (j), 12–203, 12–204,
18 12–207(a), 12–211, and 12–212
19 Annotated Code of Maryland
20 (2018 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – Economic Development
23 Section 12–201(d–1)
24 Annotated Code of Maryland
25 (2018 Replacement Volume and 2023 Supplement)

26 BY repealing and reenacting, without amendments,
27 The Charter of Baltimore City

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article II – General Powers
Section (62)(a) and (b)(1)
(2007 Replacement Volume, as amended)

BY adding to
The Charter of Baltimore City
Article II – General Powers
Section (62)(b)(7)
(2007 Replacement Volume, as amended)

BY repealing and reenacting, with amendments,
The Charter of Baltimore City
Article II – General Powers
Section (62)(b)(7) through (18), (c), (d), (f)(1), (h)(2), and (j)
(2007 Replacement Volume, as amended)

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

Article – Economic Development

12–101.

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

(b) “Authority” means an industrial development authority, **REVENUE
AUTHORITY, REDEVELOPMENT AUTHORITY, OR OTHER SIMILARLY NAMED
AUTHORITY** established in accordance with § 12–105 of this subtitle.

12–105.

(a) To accomplish one or more of the legislative purposes listed in § 12–103(b) of this subtitle, the legislative body of a county or municipal corporation may adopt a resolution to create an [industrial development] authority in accordance with this subtitle.

(b) A resolution adopted under subsection (a), (f), or (g) of this section:

(1) is administrative in nature;

(2) is not subject to referendum; and

(3) in a county or municipal corporation that has a publicly elected chief executive, is subject to approval by the chief executive.

(c) Subsection (a) of this section is self-executing and fully authorizes a county or municipal corporation to establish an authority, notwithstanding any other statutory or charter provision.

(d) A resolution adopted under subsection (a) of this section shall include proposed articles of incorporation of the authority that state:

(1) the name of the authority, which shall be:

(I) “Industrial Development Authority of (name of the incorporating county or municipal corporation)”;

(II) “**REVENUE AUTHORITY OF (NAME OF THE INCORPORATING COUNTY OR MUNICIPAL CORPORATION)**”;

(III) “**REDEVELOPMENT AUTHORITY OF (NAME OF THE INCORPORATING COUNTY OR MUNICIPAL CORPORATION)**”; OR

(IV) A SIMILARLY NAMED ENTITY;

(2) that the authority is formed under this subtitle;

(3) the names, addresses, and terms of office of the initial members of the board of directors of the authority;

(4) the address of the principal office of the authority;

(5) the purposes for which the authority is formed; and

(6) the powers of the authority subject to the limitations on the powers of an authority under this subtitle.

(e) (1) The chief executive of the incorporating county or municipal corporation, or any other official designated in the resolution establishing the authority, shall execute and file the articles of incorporation of the authority for record with the State Department of Assessments and Taxation.

(2) When the State Department of Assessments and Taxation accepts the articles of incorporation for record, the authority becomes a body politic and corporate and an instrumentality of the incorporating county or municipal corporation.

(3) Acceptance of the articles of incorporation for record by the State Department of Assessments and Taxation is conclusive evidence of the formation of the authority.

(f) (1) By resolution, the legislative body of the incorporating county or municipal corporation may adopt an amendment to the articles of incorporation of the authority.

(2) Articles of amendment may contain any provision that lawfully could be contained in articles of incorporation at the time of the amendment.

(3) The articles of amendment shall be filed for record with the State Department of Assessments and Taxation.

(4) The articles of amendment are effective as of the time the State Department of Assessments and Taxation accepts the articles for record.

(5) Acceptance of the articles of amendment for record by the State Department of Assessments and Taxation is conclusive evidence that the articles have been lawfully and properly adopted.

(g) (1) Subject to the provisions of this section and any limitations imposed by law on the impairment of contracts, the incorporating county or municipal corporation, in its sole discretion, by resolution may:

(i) set or change the NAME, structure, organization, procedures, programs, or activities of the authority; or

(ii) terminate the authority.

(2) On termination of an authority:

(i) title to all property of the authority shall be transferred to and vest in the incorporating county or municipal corporation; and

(ii) all obligations of the authority shall be transferred to and assumed by the incorporating county or municipal corporation.

(H) THE GOVERNING BODY OR MUNICIPAL CORPORATION SHALL HAVE FULL AUDITING AND OVERSIGHT AUTHORITY OVER AN ESTABLISHED AUTHORITY.

12–107.

(a) The board of directors of an authority shall govern the authority.

(b) Except as otherwise provided in this subtitle or the resolution establishing the authority, the procedures of the incorporating county or municipal corporation control any matter relating to the internal administration of the authority.

(C) THE BOARD OF DIRECTORS OF AN AUTHORITY SHALL PROVIDE FOR THE MAINTENANCE OF THE AUTHORITY'S MINUTES, RESOLUTIONS, AND OTHER RECORDS SEPARATE FROM THOSE OF THE INCORPORATING COUNTY OR MUNICIPAL CORPORATION THAT CREATED THE AUTHORITY.

1 12–109.

2 (a) (1) Except as limited by its articles of incorporation, an authority has all
3 the powers set forth in this subtitle.

4 (2) (I) [An] **SUBJECT TO SUBPARAGRAPHS (II) THROUGH (IV) OF**
5 **THIS PARAGRAPH, AN** authority may:

6 [(i)] 1. receive money from [its incorporating county or municipal
7 corporation, the State, other governmental units, or nonprofit organizations] **ANY PUBLIC,**
8 **PRIVATE, OR NONPROFIT SOURCE TO FUND THE AUTHORITY’S ACTIVITIES, POWERS,**
9 **AND DUTIES IN ACCORDANCE WITH THIS SUBTITLE;**

10 [(ii)] 2. charge fees for its services;

11 [(iii)] 3. have employees and consultants as it considers necessary;
12 [and]

13 [(iv)] 4. use the services of other governmental units;

14 5. **OWN, HOLD, AND IMPROVE REAL AND PERSONAL**
15 **PROPERTY;**

16 6. **PURCHASE, HOLD, MAINTAIN, UTILIZE, MANAGE,**
17 **LEASE, OBTAIN OPTIONS ON, OR ACQUIRE BY GIFT, GRANT, BEQUEST, DEVISE, OR**
18 **OTHERWISE ANY REAL OR PERSONAL PROPERTY WHICH MAY INCLUDE THE USE OF**
19 **AUTHORITY FUNDS OR THE COLLECTION OF REVENUE;**

20 7. **SELL, LEASE, EXCHANGE, TRANSFER, ASSIGN,**
21 **PLEDGE, OR DISPOSE OF ANY REAL OR PERSONAL PROPERTY;**

22 8. **ENTER INTO CONTRACTS AND OTHER INSTRUMENTS**
23 **NECESSARY OR CONVENIENT TO EXERCISE THE AUTHORITY’S POWERS;**

24 9. **PROVIDE FOR THE DEMOLITION, CONSTRUCTION,**
25 **RECONSTRUCTION, REHABILITATION, IMPROVEMENT, ALTERATION, OR REPAIR OF**
26 **REAL AND PERSONAL PROPERTY;**

27 10. **INSURE OR PROVIDE FOR THE INSURANCE OF REAL**
28 **AND PERSONAL PROPERTY OR OPERATIONS OF THE AUTHORITY AGAINST ANY RISKS**
29 **OR HAZARDS;**

30 11. **SUE AND BE SUED;**

1 **12. IF DISPOSING OF OR LEASING LAND, RETAIN**
2 **CONTROL OR ESTABLISH RESTRICTIONS AND COVENANTS RUNNING WITH THE LAND**
3 **CONSISTENT WITH THE PROJECT AREA PLAN;**

4 **13. ENTER INTO A LEASE AGREEMENT ON REAL OR**
5 **PERSONAL PROPERTY, EITHER AS LESSEE OR LESSOR;**

6 **14. BORROW MONEY OR ACCEPT FINANCIAL OR OTHER**
7 **ASSISTANCE FROM A PUBLIC ENTITY OR ANY OTHER SOURCE FOR ANY OF THE**
8 **PURPOSES OF THIS SUBTITLE AND COMPLY WITH ANY CONDITIONS OF ANY LOAN OR**
9 **ASSISTANCE;**

10 **15. ISSUE BONDS TO FINANCE THE UNDERTAKING OF ANY**
11 **PROJECT AREA DEVELOPMENT OR FOR ANY OF THE AUTHORITY'S OTHER PURPOSES,**
12 **INCLUDING:**

13 **A. REIMBURSING AN ADVANCE MADE BY THE AUTHORITY**
14 **OR BY A PUBLIC ENTITY TO THE AGENCY;**

15 **B. REFUNDING BONDS TO PAY OR RETIRE BONDS**
16 **PREVIOUSLY ISSUED BY THE AUTHORITY; AND**

17 **C. REFUNDING BONDS TO PAY OR RETIRE BONDS**
18 **PREVIOUSLY ISSUED BY THE COMMUNITY THAT CREATED THE AUTHORITY FOR**
19 **EXPENSES ASSOCIATED WITH PROJECT AREA DEVELOPMENT;**

20 **16. PAY AN IMPACT FEE, EXACTION, OR OTHER FEE**
21 **IMPOSED BY A COMMUNITY IN CONNECTION WITH LAND DEVELOPMENT; AND**

22 **17. TRANSACT OTHER BUSINESS AND EXERCISE ALL**
23 **OTHER POWERS UNDER THIS SUBTITLE.**

24 **(II) AN AUTHORITY MAY ACQUIRE REAL PROPERTY UNDER**
25 **SUBPARAGRAPH (I) OF THIS PARAGRAPH THAT IS OUTSIDE A PROJECT AREA ONLY**
26 **IF THE BOARD OF DIRECTORS OF THE AUTHORITY DETERMINES THAT THE**
27 **PROPERTY WILL BENEFIT A PROJECT AREA.**

28 **(III) AUTHORITY FUNDS SHALL BE ACCOUNTED FOR**
29 **SEPARATELY FROM THE FUNDS OF THE COUNTY OR MUNICIPAL CORPORATION THAT**
30 **CREATED THE AUTHORITY.**

31 **(IV) AN AUTHORITY MAY ACCUMULATE RETAINED EARNINGS OR**
32 **FUND BALANCES IN ANY FUND.**

(b) For the purposes of this subtitle, each county and municipal corporation has all the powers granted in this subtitle to an authority, including the power to make loans to private enterprises competing with enterprises not receiving the loans.

(c) (1) (i) An authority shall operate and exercise its powers solely to accomplish one or more of the legislative purposes of this subtitle.

(ii) The incorporating county or municipal corporation may use the authority's exercise of its powers to accomplish one or more of the legislative purposes.

(2) An authority or an incorporating county or municipal corporation may exercise its powers regardless of any effect on economic competition.

(3) The powers granted to a county or municipal corporation under paragraph (2) of this subsection do not:

(i) grant to the county or municipal corporation powers in any substantive area not otherwise granted to the county or municipal corporation under other public general or public local law;

(ii) restrict the county or municipal corporation from exercising any power granted to the county or municipal corporation under other public general or public local law or otherwise;

(iii) authorize the county or municipal corporation, or the officers of the county or municipal corporation, to engage in an activity that is beyond the power granted under other public general or public local law or otherwise; or

(iv) preempt or supersede the regulatory authority of a unit of State government under a public general law.

(4) The incorporating county or municipal corporation is not precluded from directly exercising the powers granted to an authority under this subtitle after the establishment of the authority.

12–201.

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

(D–1) “AUTHORITY” HAS THE MEANING STATED IN § 12–101 OF THIS TITLE.

(e) “Bond” means a revenue bond, note, or other similar instrument issued in accordance with this subtitle by:

(1) a political subdivision;

(2) AN AUTHORITY; or

[(2)] (3) the revenue authority of Prince George's County.

(f) "Chief executive" means the president, chair, mayor, or other chief executive officer of a political subdivision, AN AUTHORITY, or the revenue authority of Prince George's County.

(j) "Issuer" means AN AUTHORITY, a political subdivision, or the revenue authority of Prince George's County that issues a bond under this subtitle.

12–203.

(a) Before [issuing] bonds ARE ISSUED BY THE GOVERNING BODY OF A POLITICAL SUBDIVISION OR AN AUTHORITY, the governing body of the political subdivision shall:

(1) by resolution:

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

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

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

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

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

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

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

(b) (1) In this subsection, "brownfields site" has the meaning stated in § 5–301 of this article.

(2) Before [issuing] bonds **ARE ISSUED** and as part of the resolution required under subsection (a) of this section, the governing body of the political subdivision may determine the original base of a brownfields site in a sustainable community.

(3) The determination of the original base of a brownfields site under this section:

(i) is not a determination of the value of the brownfields site; and

(ii) may not be used to determine a property tax assessment or appeal of a property tax assessment under the Tax – Property Article.

(c) The establishment or identification by a county of a development district, a RISE zone, or a sustainable community that is wholly or partly in a municipal corporation shall also require a resolution approving the development district, RISE zone, or sustainable community by the governing body of the municipal corporation.

12–204.

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

(b) [To issue bonds] **BEFORE BONDS ARE ISSUED** under this subtitle, the governing body of a political subdivision shall adopt an ordinance that:

(1) describes the proposed undertaking; and

(2) states:

(i) that the governing body has complied with §§ 12–203 and 12–208(c) and (d) of this subtitle;

(ii) the maximum principal amount of the bonds; and

(iii) the maximum rate of interest on the bonds.

(c) The ordinance may specify the following for bonds issued to carry out the financing of the proposed undertaking:

(1) the principal amount;

(2) the rate of interest;

(3) the manner and terms of sale;

(4) the time of execution, issuance, and delivery;

(5) the form and denomination;

(6) the manner in which, and the times and places at which principal and interest shall be paid;

(7) conditions for redemption before maturity; or

(8) other provisions consistent with this subtitle that the governing body of the political subdivision determines are necessary or desirable.

(d) **(1)** The revenue authority of Prince George's County may issue bonds in accordance with an ordinance adopted by the governing body of Prince George's County.

(2) AN AUTHORITY MAY ISSUE BONDS IN ACCORDANCE WITH AN ORDINANCE ADOPTED BY THE GOVERNING BODY THAT CREATED THE AUTHORITY UNDER SUBTITLE 1 OF THIS TITLE.

(e) The ordinance may specify the items listed in subsection (c) of this section or may authorize:

(1) the finance board to specify those items by resolution or ordinance; or

(2) the chief executive to specify those items by executive order.

(f) (1) Except as provided in paragraph (2) of this subsection, neither an ordinance authorizing the bonds nor an ordinance, resolution, or executive order issued, passed, or adopted under this section may be subject to referendum because of any other State or local law.

(2) An ordinance that authorizes the pledge of the full faith and credit of a political subdivision to the payment of principal and interest on a bond is subject to any applicable right to referendum.

12–207.

(a) Except as provided in subsections (b) and (e) of this section, **THE TAX INCREMENT OR** bond proceeds may be used **[only]**:

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

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

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

(2) for site removal;

(3) for surveys and studies;

(4) to relocate businesses or residents;

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

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

(ii) parking **AND ANCILLARY IMPROVEMENTS RELATED TO VEHICLES;** and

(iii) lighting;

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

(7) for reserves [or], capitalized interest, **AND WORKING CAPITAL;**

(8) for necessary costs to issue bonds; [and]

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

(10) FOR THE PURPOSE OF ENCOURAGING REDEVELOPMENT IN THE DEVELOPMENT DISTRICT, A RISE ZONE, OR A SUSTAINABLE COMMUNITY, TO INSTALL PUBLIC OR PRIVATE INFRASTRUCTURE IMPROVEMENTS, INCLUDING:

(I) STREETS;

(II) PARKING STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE;

(III) UTILITIES;

(IV) STREET LIGHTS;

(V) STORMWATER MANAGEMENT AND STORM DRAIN FACILITIES;

(VI) FENCING;

(VII) NOISE WALLS;

1 (VIII) RETAINING WALLS;

2 (IX) TRAILS;

3 (X) SIDEWALKS;

4 (XI) PUBLIC RECREATIONAL FACILITIES;

5 (XII) LANDSCAPING, STREETSCAPING, AND PUBLIC ART;

6 (XIII) PEDESTRIAN AND VEHICULAR BRIDGES; AND

7 (XIV) PARK FACILITIES;

8 (11) TO ISSUE LOANS FOR THE PURPOSE OF ENCOURAGING
9 REDEVELOPMENT IN THE DEVELOPMENT DISTRICT, RISE ZONE, OR SUSTAINABLE
10 COMMUNITY;

11 (12) FOR ADMINISTRATIVE OVERHEAD, LEGAL, OR OTHER OPERATING
12 EXPENSES OF THE AUTHORITY, INCLUDING THE FEES AND EXPENSES OF
13 CONSULTANTS OR FUNDING FOR A RESOURCE CENTER;

14 (13) TO FINANCE OR REFINANCE ALL OR PART OF:

15 (I) DEVELOPMENT COSTS OF A DEVELOPMENT DISTRICT,
16 INCLUDING ENVIRONMENTAL REMEDIATION OCCURRING BEFORE OR AFTER
17 ADOPTION OF THE DEVELOPMENT DISTRICT PLAN;

18 (II) IF THE EXPENDITURES ARE RELATED TO A HOUSING
19 PROJECT OR PROGRAM IN A DEVELOPMENT DISTRICT:

20 1. THE VALUE OF THE LAND; AND

21 2. THE COST OF INSTALLATION, CONSTRUCTION, OR
22 REHABILITATION OF THE HOUSING-RELATED BUILDING, FACILITY, STRUCTURE, OR
23 OTHER HOUSING IMPROVEMENT, INCLUDING INFRASTRUCTURE IMPROVEMENTS
24 RELATED TO HOUSING; AND

25 (III) IF THE EXPENDITURES ARE RELATED TO A HOUSING
26 PROJECT OR PROGRAM NOT IN A DEVELOPMENT DISTRICT:

1 1. REPLACING HOUSING UNITS LOST IN A DEVELOPMENT
2 DISTRICT;

3 2. INCREASING, IMPROVING, OR PRESERVING THE
4 SUPPLY OF AFFORDABLE HOUSING WITHIN THE BOUNDARY OF THE DEVELOPMENT
5 DISTRICT; OR

6 3. RELOCATING MOBILE HOME PARK RESIDENTS
7 DISPLACED BY DEVELOPMENT INSIDE OR OUTSIDE A DEVELOPMENT DISTRICT;

8 (14) FOR AFFORDABLE HOUSING OR HOMELESS ASSISTANCE, TO LEND,
9 GRANT, OR CONTRIBUTE FUNDS TO A PERSON, PUBLIC OR PRIVATE ENTITY,
10 HOUSING AUTHORITY, OR NONPROFIT ENTITY;

11 (15) FOR AN INCENTIVE OR OTHER CONSIDERATION PAID TO A
12 PARTICIPANT UNDER A PARTICIPATION AGREEMENT;

13 (16) FOR THE ACQUISITION OF LAND AT MARKET VALUE AND THE COST
14 OF THE INSTALLATION AND CONSTRUCTION OF ANY PUBLICLY OWNED BUILDING,
15 FACILITY, STRUCTURE, OR OTHER IMPROVEMENT WITHIN THE DEVELOPMENT
16 DISTRICT;

17 (17) IF THE BOARD OF DIRECTORS ESTABLISHED UNDER § 12-106 OF
18 THIS TITLE AND THE POLITICAL SUBDIVISION ADOPT A RESOLUTION THAT THE
19 PUBLICLY OWNED INFRASTRUCTURE AND IMPROVEMENTS BENEFIT THE
20 DEVELOPMENT DISTRICT, FOR THE INFRASTRUCTURE AND IMPROVEMENTS
21 OUTSIDE THE DEVELOPMENT DISTRICT;

22 (18) IF THE BOARD OF DIRECTORS ESTABLISHED UNDER § 12-106 OF
23 THIS TITLE AND THE POLITICAL SUBDIVISION APPROVE AND PROJECTED
24 AUTHORITY FUNDS ARE SUFFICIENT TO REPAY THE LOAN, TO MAKE LOANS FROM
25 ONE DEVELOPMENT DISTRICT TO ANOTHER;

26 (19) AS A GRANT TO THE POLITICAL SUBDIVISION TO OFFSET THE TAX
27 INCREMENT THAT WAS PAID TO THE AUTHORITY FOR THE PURPOSES UNDER THIS
28 SUBTITLE;

29 (20) (I) FOR CONVENTION, CONFERENCE, OR VISITORS' CENTERS;
30 AND

31 (II) TO MAINTAIN INFRASTRUCTURE IMPROVEMENTS AND
32 CONVENTION, CONFERENCE, OR VISITORS' CENTERS; AND

(21) FOR ANY OTHER PURPOSE AUTHORIZED UNDER THIS SUBTITLE.

12-211.

(a) The principal amount of bonds, interest payable on bonds, the transfer of bonds, and income from bonds, including profit made in the sale or transfer of bonds, are exempt from State and local taxes.

(b) If a political subdivision **OR AN AUTHORITY** leases as a lessor its property within a development district, a RISE zone, or a sustainable community:

(1) the property shall be assessed and taxed in the same manner as privately owned property; and

(2) the lease shall require the lessee to pay taxes or payments in lieu of taxes on the assessed value of the entire property and not only on the assessed value of the leasehold interest.

12-212.

This subtitle does not authorize **AN AUTHORITY**, a county, or a municipal corporation to acquire property by eminent domain.

The Charter of Baltimore City

Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62)

(a) (1) To borrow money by issuing and selling bonds, at any time and from time to time, for the purpose of financing and refinancing the development of an industrial, commercial, or residential area in Baltimore City. Such bonds shall be payable from and secured by a pledge of the special fund described in subsection (d)(3)(ii) of this section and the Mayor and City Council of Baltimore may also establish sinking funds, establish debt service reserve funds, or pledge other assets and revenues towards the payments of the principal and interest, including revenues received by the Mayor and City Council of Baltimore pursuant to a development agreement.

(2) (i) In lieu of the pledges set forth in paragraph (1) of this subsection, the authorizing ordinance or trust agreement, subject to subparagraphs (ii) and (iii) of this paragraph, may pledge or assign:

1. all or any part of that portion of the revenues and receipts from the taxes representing the levy of the tax increment that would normally be paid to the Mayor and City Council of Baltimore to the payment of such principal and interest;

2. the special fund described in subsection (d)(3)(ii) of this section and any other fund into which all or any part of such revenues and receipts are deposited after such revenues and receipts are appropriated by the Mayor and City Council of Baltimore to the payment of such principal and interest;

3. amounts provided to the Mayor and City Council of Baltimore by the State under § 2-222 of the Tax – Property Article of the Annotated Code of Maryland; and

4. any other assets and revenues of the Mayor and City Council of Baltimore.

(ii) The revenues and receipts may not be irrevocably pledged to the payment of such principal and interest and the obligation to pay such principal and interest from such revenues and receipts shall be subject to annual appropriation by the Mayor and City Council of Baltimore.

(iii) The Mayor and City Council of Baltimore may not pledge its full faith and credit or unlimited taxing power to the payment of such bonds.

(b) (1) In this section the following words have the meanings indicated, unless the context clearly indicates another or different meaning or intent:

(7) “AUTHORITY” HAS THE MEANING PROVIDED IN § 12-101 OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

[(7)] (8) “Bonds” or “bond” means any bonds or bond, notes or note, or other similar instruments or instrument issued by the Mayor and City Council of Baltimore **OR AN AUTHORITY** pursuant to and in accordance with this section.

[(8)] (9) “Development” includes new development, redevelopment, revitalization, and renovation.

[(9)] (10) “Development agreement” means an agreement between the Mayor and City Council of Baltimore **OR AN AUTHORITY** and any person involved in or responsible for development of property within a development district pursuant to which such person shall agree to pay in each year in which any bonds are outstanding an amount

equal to all or a portion of the debt service on bonds issued pursuant to this section to finance or refinance development in such development district.

[(10)] (11) “Development district” means an area or areas within the City of Baltimore designated by an ordinance of the Mayor and City Council of Baltimore.

[(11)] (12) “Distressed property” has the meaning stated in § 21-17(a) of the Public Local Laws of Baltimore City.

[(12)] (13) “Original assessable base” means the assessable base as of January 1 of that year preceding the effective date of the ordinance creating the development district under subsection (d) of this section.

[(13)] (14) “Original full cash value” means the dollar amount which is determined by dividing the original assessable base by the assessment ratio used to determine the original assessable base.

[(14)] (15) “Original taxable value” means for any tax year the dollar amount that is the lesser of:

(i) the product of the original full cash value times the assessment ratio applicable to that tax year;

(ii) the original assessable base; or

(iii) if an adjusted assessable base applies, then the “original taxable value” is the adjusted assessable base.

[(15)] (16) “Supervisor of Assessments” means the Supervisor of Assessments for Baltimore City.

[(16)] (17) “Tax increment” means for any tax year the amount by which the assessable base as of January 1 preceding that tax year exceeds the original taxable value, divided by the assessment ratio used to determine the original taxable value.

[(17)] (18) “Tax year” means the period from July 1 of a calendar year through June 30 of the next calendar year.

[(18)] (19) “State obligations” means any bonds or bond, notes or note, or other similar instruments or instrument issued by the Maryland Economic Development Corporation, the State of Maryland, or any agency, department, or political subdivision thereof, the proceeds of which have been used for any of the purposes specified in subsection (c) of this section.

(c) All proceeds received from any bonds issued and sold pursuant to this section shall be applied solely for:

(1) the cost of purchasing, leasing, condemning, or otherwise acquiring land or other property, or an interest in them, in the designated development district area or as necessary for a right-of-way or other easement to or from the development district area;

(2) site removal;

(3) surveys and studies;

(4) relocation of businesses or residents;

(5) installation of utilities, construction of parks and playgrounds, and other necessary improvements including streets and roads to, from, or within the development district, lighting, and other facilities;

(6) construction or rehabilitation of buildings provided that such buildings:

(i) are to be devoted to a governmental use or purpose;

(ii) are abandoned property;

(iii) are distressed property; or

(iv) will provide units of affordable housing;

(7) reserves, **WORKING CAPITAL**, and capitalized interest on the bonds;

(8) necessary costs of issuing bonds;

(9) structured and surface parking facilities **AND ANCILLARY IMPROVEMENTS RELATED TO VEHICLES** that are:

(i) publicly owned; or

(ii) privately owned but serve a public purpose; [and]

(10) payment of the principal and interest on loans, money advanced, or indebtedness incurred by the Mayor and City Council of Baltimore for any of the purposes set out in this section;

(11) THE PURPOSE OF ENCOURAGING REDEVELOPMENT IN THE DEVELOPMENT DISTRICT, A RISE ZONE, OR A SUSTAINABLE COMMUNITY, TO INSTALL PUBLIC OR PRIVATE INFRASTRUCTURE IMPROVEMENTS, INCLUDING:

(I) STREETS;

(II) PARKING STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC
OR PRIVATE USE;

(III) UTILITIES;

(IV) STREET LIGHTS;

(V) STORMWATER MANAGEMENT AND STORM DRAIN
FACILITIES;

(VI) FENCING;

(VII) NOISE WALLS;

(VIII) RETAINING WALLS;

(IX) TRAILS;

(X) SIDEWALKS;

(XI) PUBLIC RECREATIONAL FACILITIES;

(XII) LANDSCAPING, STREETS CAPING, AND PUBLIC ART;

(XIII) PEDESTRIAN AND VEHICULAR BRIDGES; AND

(XIV) PARK FACILITIES;

(12) ISSUING LOANS FOR THE PURPOSE OF ENCOURAGING
REDEVELOPMENT IN THE DEVELOPMENT DISTRICT, RISE ZONE, OR SUSTAINABLE
COMMUNITY;

(13) ADMINISTRATIVE OVERHEAD, LEGAL, OR OTHER OPERATING
EXPENSES OF AN AUTHORITY, INCLUDING THE FEES AND EXPENSES OF
CONSULTANTS OR FUNDING FOR A RESOURCE CENTER;

(14) FINANCING OR REFINANCING ALL OR PART OF:

(I) DEVELOPMENT COSTS OF A DEVELOPMENT DISTRICT,
INCLUDING ENVIRONMENTAL REMEDIATION OCCURRING BEFORE OR AFTER
ADOPTION OF THE DEVELOPMENT DISTRICT;

1 **(II) IF THE EXPENDITURES ARE RELATED TO A HOUSING**
2 **PROJECT OR PROGRAM IN A DEVELOPMENT DISTRICT:**

3 1. **THE VALUE OF THE LAND; AND**

4 2. **THE COST OF INSTALLATION, CONSTRUCTION, OR**
5 **REHABILITATION OF THE HOUSING-RELATED BUILDING, FACILITY, STRUCTURE, OR**
6 **OTHER HOUSING IMPROVEMENT, INCLUDING INFRASTRUCTURE IMPROVEMENTS**
7 **RELATED TO HOUSING; AND**

8 **(III) IF THE EXPENDITURES ARE RELATED TO A HOUSING**
9 **PROJECT OR PROGRAM NOT IN A DEVELOPMENT DISTRICT:**

10 1. **REPLACING HOUSING UNITS LOST IN A DEVELOPMENT**
11 **DISTRICT;**

12 2. **INCREASING, IMPROVING, OR PRESERVING THE**
13 **SUPPLY OF AFFORDABLE HOUSING WITHIN THE BOUNDARY OF THE DEVELOPMENT**
14 **DISTRICT; OR**

15 3. **RELOCATING MOBILE HOME PARK RESIDENTS**
16 **DISPLACED BY DEVELOPMENT INSIDE OR OUTSIDE A DEVELOPMENT DISTRICT;**

17 **(15) AFFORDABLE HOUSING OR HOMELESS ASSISTANCE, TO LEND,**
18 **GRANT, OR CONTRIBUTE FUNDS TO A PERSON, PUBLIC OR PRIVATE ENTITY,**
19 **HOUSING AUTHORITY, OR NONPROFIT ENTITY;**

20 **(16) AN INCENTIVE OR OTHER CONSIDERATION PAID TO A**
21 **PARTICIPANT UNDER A PARTICIPATION AGREEMENT;**

22 **(17) THE ACQUISITION OF LAND AT MARKET VALUE AND THE COST OF**
23 **THE INSTALLATION AND CONSTRUCTION OF ANY PUBLICLY OWNED BUILDING,**
24 **FACILITY, STRUCTURE, OR OTHER IMPROVEMENT WITHIN THE DEVELOPMENT**
25 **DISTRICT;**

26 **(18) IF THE BOARD OF DIRECTORS ESTABLISHED UNDER § 12-106 OF**
27 **THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND**
28 **AND THE MAYOR AND CITY COUNCIL OF BALTIMORE ADOPT A RESOLUTION THAT**
29 **THE PUBLICLY OWNED INFRASTRUCTURE AND IMPROVEMENTS BENEFIT THE**
30 **DEVELOPMENT DISTRICT, THE INFRASTRUCTURE AND IMPROVEMENTS OUTSIDE**
31 **THE DEVELOPMENT DISTRICT;**

1 **(19) IF THE BOARD OF DIRECTORS ESTABLISHED UNDER § 12-106 OF**
2 **THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND**
3 **AND THE MAYOR AND CITY COUNCIL OF BALTIMORE APPROVE AND PROJECTED**
4 **AUTHORITY FUNDS ARE SUFFICIENT TO REPAY THE LOAN, MAKING LOANS FROM**
5 **ONE DEVELOPMENT DISTRICT TO ANOTHER;**

6 **(20) A GRANT TO THE MAYOR AND CITY COUNCIL OF BALTIMORE TO**
7 **OFFSET THE TAX INCREMENT THAT WAS PAID TO THE AUTHORITY FOR THE**
8 **PURPOSES UNDER THIS SECTION;**

9 **(21) (I) CONVENTION, CONFERENCE, OR VISITORS' CENTERS; AND**

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

12 **(22) ANY OTHER PURPOSE AUTHORIZED UNDER TITLE 12, SUBTITLE 2**
13 **OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF**
14 **MARYLAND.**

15 (d) Before [issuing] any bonds **ARE ISSUED** under this section, the Mayor and
16 City Council of Baltimore shall:

17 (1) designate by ordinance an area or areas within the City of Baltimore as
18 a "development district";

19 (2) receive from the Supervisor of Assessments a certification as to the
20 amount of the original assessable base, or if applicable, the adjusted assessable base; and

21 (3) provide that until the bonds have been fully paid or thereafter, the
22 property taxes on real property within the development district shall be divided as follows:

23 (i) that portion of the taxes which would be produced by the rate at
24 which taxes levied each year by the Mayor and City Council of Baltimore upon the original
25 taxable value shall be allocated to and when collected paid into the funds of the Mayor and
26 City Council of Baltimore in the same manner as taxes by the Mayor and City Council of
27 Baltimore on all other property are paid; and

28 (ii) that portion of the taxes representing the levy on the tax
29 increment that would normally be paid to the Mayor and City Council of Baltimore shall
30 be paid into a special fund to be applied in accordance with the provisions of subsection (e)
31 of this section. This yield shall not be considered as municipal taxes for the purposes of any
32 constant yield tax limitation or State or local restriction. No State real property taxes may
33 be paid into the special fund.

1 (f) (1) Before [issuing] any bonds **ARE ISSUED** under this section the Mayor
2 and City Council of Baltimore shall enact an ordinance which:

3 (i) specifies and describes the proposed undertaking and states that
4 it has complied with subsection (d) of this section; and

5 (ii) specifies the maximum principal amount of bonds to be issued,
6 from time to time or at any time, pursuant to such ordinance.

7 (h) (2) All bonds shall be signed manually or in facsimile by the Mayor of the
8 City of Baltimore **OR THE AUTHORITY**, and the seal of the Mayor and City Council of
9 Baltimore shall be impressed thereon manually or by facsimile and attested by the
10 custodian of the City seal, manually or by facsimile. If any officer whose signature or
11 countersignature appears on the bonds ceases to be such officer before delivery of the bonds,
12 his signature or countersignature shall nevertheless be valid and sufficient for all purposes
13 the same as if he had remained in office until delivery thereof.

14 (j) Whenever the Mayor and City Council of Baltimore **OR THE AUTHORITY**, as
15 lessor, leases its property within the development district, the property shall be assessed
16 and taxed in the same manner as privately owned property, and the lease or contract shall
17 provide that the lessee shall pay taxes or payments in lieu of taxes upon the assessed value
18 of the entire property and not merely the assessed value of the leasehold interest.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2024.