

Chapter 617

(Senate Bill 828)

AN ACT concerning

Special Taxing Districts – Transportation Improvements – Exemption from County Tax Limitations

FOR the purpose of exempting certain taxes imposed only within a special taxing district for the purpose of financing the cost of transportation improvements from county tax limitations; authorizing a county to issue, by law, certain bonds for certain infrastructure improvements; authorizing a county to sell certain bonds secured by certain revenues; providing that certain bonds may not be secured by the full faith and credit or taxing authority of a county; providing for the construction of certain provisions of this Act; defining certain terms; and generally relating to special taxing districts and county tax limitations.

BY adding to

Article 24 – Political Subdivisions – Miscellaneous Provisions

Section 9–1302 and 9–1303

Annotated Code of Maryland

(2005 Replacement Volume and 2009 Supplement)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

9–1302.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COST” HAS THE MEANING STATED IN ~~§ 3–101(D)~~ § 9–1301 OF THE TRANSPORTATION ARTICLE THIS SUBTITLE.

(3) “COUNTY TAX LIMITATION” MEANS A PROVISION OF A COUNTY CHARTER THAT LIMITS:

(I) THE MAXIMUM PROPERTY TAX RATE THAT A COUNTY MAY IMPOSE; OR

(II) THE RATE OF GROWTH OF COUNTY PROPERTY TAX REVENUES.

(4) “HIGHWAY FACILITY” HAS THE MEANING STATED IN § 3-101(F) OF THE TRANSPORTATION ARTICLE.

(5) “SPECIAL TAXING DISTRICT” MEANS A DEFINED GEOGRAPHIC AREA DESIGNATED BY A COUNTY WITHIN WHICH AD VALOREM OR SPECIAL TAXES ARE IMPOSED FOR THE PURPOSE OF FINANCING THE COST OF INFRASTRUCTURE IMPROVEMENTS.

(6) “TRANSIT FACILITY” HAS THE MEANING STATED IN § 3-101(K) OF THE TRANSPORTATION ARTICLE.

(7) “~~TRANSPORTATION~~ STATE ~~TRANSPORTATION~~ IMPROVEMENTS” INCLUDES HIGHWAY FACILITIES, TRANSIT FACILITIES, AND RELATED INFRASTRUCTURE.

(8) “COUNTY TRANSPORTATION IMPROVEMENTS” INCLUDES:

(I) FOR COUNTY ROADS AND HIGHWAYS:

1. COUNTY RIGHTS-OF-WAY, ROADWAY SURFACES, ROADWAY SUBGRADES, SHOULDERS, MEDIAN DIVIDERS, DRAINAGE FACILITIES AND STRUCTURES, RELATED STORMWATER MANAGEMENT FACILITIES AND STRUCTURES, ROADWAY CUTS, ROADWAY FILLS, GUARDRAILS, BRIDGES, HIGHWAY GRADE SEPARATION STRUCTURES, TUNNELS, OVERPASSES, UNDERPASSES, INTERCHANGES, ENTRANCE PLAZAS, APPROACHES, AND OTHER STRUCTURES FORMING AN INTEGRAL PART OF A STREET, ROAD, OR HIGHWAY, INCLUDING BICYCLE AND WALKING PATHS, DESIGNATED BUS LANES, SIDEWALKS, PEDESTRIAN PLAZAS, STREETSCAPING, AND RELATED INFRASTRUCTURE; AND

2. ANY OTHER PROPERTY ACQUIRED FOR THE CONSTRUCTION, OPERATION, OR USE OF THE HIGHWAY; AND

(II) FOR COUNTY TRANSIT FACILITIES, ANY ONE OR MORE OR COMBINATION OF TRACKS, RIGHTS-OF-WAY, BRIDGES, TUNNELS, SUBWAYS, ROLLING STOCK, STATIONS, TERMINALS, PORTS, PARKING AREAS, EQUIPMENT, FIXTURES, BUILDING STRUCTURES, OTHER REAL OR PERSONAL PROPERTY, AND SERVICES INCIDENTAL TO OR USEFUL OR DESIGNED FOR USE IN CONNECTION WITH THE RENDERING OF TRANSIT SERVICE BY ANY MEANS, INCLUDING RAIL,

BUS, MOTOR VEHICLE, OR OTHER MODE OF TRANSPORTATION BUT DOES NOT INCLUDE ANY RAILROAD FACILITY.

(B) A COUNTY TAX LIMITATION ~~DOES NOT~~ THAT WOULD OTHERWISE APPLY TO AD VALOREM OR SPECIAL TAXES IMPOSED ONLY WITHIN A SPECIAL TAXING DISTRICT DOES NOT APPLY FOR THE PURPOSE OF FINANCING THE COST OF STATE TRANSPORTATION IMPROVEMENTS AND COUNTY TRANSPORTATION IMPROVEMENTS.

9-1303.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BOND" MEANS A SPECIAL OBLIGATION BOND, NOTE, OR OTHER SIMILAR INSTRUMENT ISSUED BY A COUNTY UNDER THIS SECTION.

(3) "COSTS" MEANS ANY EXPENSE NECESSARY OR INCIDENT TO ACQUIRING, BUILDING, OR FINANCING ANY TRANSPORTATION IMPROVEMENT AS MAY BE PROVIDED BY THE LOCAL LAW AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION.

(4) (I) "SPECIAL TAX" MEANS AN AD VALOREM OR SPECIAL TAX, ASSESSMENT, FEE, OR CHARGE IMPOSED BY A COUNTY WITHIN A SPECIAL TAXING DISTRICT.

(II) "SPECIAL TAX" DOES NOT INCLUDE AN AD VALOREM OR SPECIAL TAX, ASSESSMENT, FEE, OR CHARGE LEVIED UNDER CHAPTER 20A OF THE MONTGOMERY COUNTY CODE.

(5) (I) "SPECIAL TAXING DISTRICT" MEANS A SPECIAL TAXING DISTRICT, SPECIAL ASSESSMENT DISTRICT, OR SIMILAR DEFINED GEOGRAPHICAL AREA WITHIN A COUNTY IN WHICH THE COUNTY IS AUTHORIZED TO IMPOSE A SPECIAL TAX.

(II) "SPECIAL TAXING DISTRICT" DOES NOT INCLUDE A DEVELOPMENT DISTRICT CREATED UNDER CHAPTER 20A OF THE MONTGOMERY COUNTY CODE.

(6) "TRANSPORTATION IMPROVEMENT" MEANS A STATE TRANSPORTATION IMPROVEMENT OR A COUNTY TRANSPORTATION IMPROVEMENT AS DEFINED IN § 9-1302 OF THIS SUBTITLE.

(B) IN ADDITION TO OTHER POWERS A COUNTY MAY HAVE, AND NOTWITHSTANDING THE PROVISIONS OF ANY OTHER PUBLIC LOCAL LAW, PUBLIC GENERAL LAW, OR THE COUNTY CHARTER OF A COUNTY THAT HAS ADOPTED HOME RULE POWERS UNDER ARTICLE XI-A OF THE MARYLAND CONSTITUTION, A COUNTY MAY ENACT A LAW TO PROVIDE FOR THE ISSUANCE OF BONDS TO FINANCE THE COSTS OF TRANSPORTATION IMPROVEMENTS FOR WHICH THE PRINCIPAL, INTEREST, AND ANY PREMIUM SHALL BE PAID FROM AND SECURED BY SPECIAL TAXES COLLECTED BY THE COUNTY IN A SPECIAL TAXING DISTRICT.

(C) (1) BONDS ISSUED UNDER THIS SECTION ARE SPECIAL OBLIGATIONS OF THE COUNTY AND DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE COUNTY OR A PLEDGE OF THE COUNTY'S FULL FAITH AND CREDIT OR GENERAL TAXING POWER.

(2) BONDS ISSUED UNDER THIS SECTION MAY BE SOLD IN ANY MANNER, EITHER AT PUBLIC OR PRIVATE SALE AND ON TERMS AS THE COUNTY DEEMS BEST.

(3) BONDS ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO ARTICLE 31, §§ 10 AND 11 OF THE CODE.

(4) BONDS ISSUED UNDER THIS SECTION, THEIR TRANSFER, THE INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT REALIZED ON THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION.

(5) BONDS ISSUED UNDER THIS SECTION SHALL BE TREATED AS SECURITIES TO THE SAME EXTENT AS BONDS ISSUED UNDER § 9-1301 OF THIS SUBTITLE.

(D) IN ADDITION TO THE SPECIAL TAXES, BONDS ISSUED UNDER THIS SECTION MAY BE SECURED BY OTHER REVENUES GENERATED WITHIN THE SPECIAL TAXING DISTRICT.

(E) THE POWERS GRANTED UNDER THIS SECTION SHALL BE REGARDED AS SUPPLEMENTAL AND ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS, AND MAY NOT BE REGARDED AS IN DEROGATION OF ANY POWERS NOW EXISTING, INCLUDING POWERS TO ISSUE SPECIAL OBLIGATION DEBT UNDER THIS ARTICLE, ARTICLE 25, ARTICLE 25A, OR ARTICLE 25B OF THE CODE.

(F) THIS SECTION, BEING NECESSARY FOR THE WELFARE OF THE STATE AND ITS RESIDENTS, SHALL BE LIBERALLY CONSTRUED TO EFFECT ITS PURPOSES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010.

Approved by the Governor, May 20, 2010.