

Key Provisions of Potential TIF 2013 Bill

- Creates the possibility for new local revenue streams to fund TIF's in Sustainable Communities (SC), such as amusement, entertainment, hotel/motel or any other alternative local tax revenues generated within the Sustainable Community.
- Allows and clarifies new uses for TIF funds that include historic preservation, environmental remediation, demolition, site preparation, parking lots, facilities, highways or transit that support SC's, schools and affordable or mixed use housing.
- Prioritizes State funding for a Sustainable Community when a political subdivision issues bonds to support or revitalize that Sustainable Community.
- Allows Sustainable Communities the same bonding authority via MEDCO as MDOT designated TOD's.
 - MEDCO has the ability to finance, acquire, develop, own and/or operate projects for economic development purposes. By example MEDCO is going to own a parking garage in a Transit Oriented Development on land leased by MDOT to a private developer. The garage will be financed through a TIF bond issued by MEDCO and MEDCO will be involved in the development and ownership of the project. Once the ground lease expires the ownership of the garage will revert to the developer or MDOT. The County approving and authorizing the transaction did not want to issue the bonds or have an ownership interest in the garage.
 - Governmental entities may be able to reduce or eliminate the impact on their debt capacity by financing projects through MEDCO. A jurisdiction should consult its financial advisor to understand the impact of a MEDCO financing on its credit profile and debt capacity.
 - MEDCO has the ability to structure transactions to contemplate life cycle capital cost and operating costs such that the expense is funded on a timely basis through the project.

Bill No.: _____
Requested: _____
Committee: _____

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A BILL ENTITLED

1 AN ACT concerning

2 **Sustainable Communities - Designation and Financing**

3 FOR the purpose of authorizing municipal corporations and certain counties to finance
4 the cost of certain infrastructure improvements in a sustainable community in
5 the same manner as a transit-oriented development under certain
6 circumstances; authorizing a political subdivision to use certain alternative
7 local tax revenues for tax increment financing in connection with a sustainable
8 community under certain circumstances; providing that bonds can be used for
9 certain purposes in sustainable communities under certain circumstances;
10 authorizing a political subdivision to determine a certain base of a certain
11 brownfields site under certain circumstances; authorizing a political subdivision
12 to pledge tax increment revenue to secure the payment of obligations to the
13 Maryland Economic Development Corporation for infrastructure improvements
14 located in a sustainable community; providing for the construction of this Act;
15 providing that certain political subdivisions will get priority for State funding
16 under certain circumstances; defining and altering certain terms; and generally
17 relating to sustainable communities.

18 BY repealing and reenacting, with amendments,
19 Article 23A - Corporations - Municipal
20 Section 44A(b)
21 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2011 Replacement Volume and 2012 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article 24 – Political Subdivisions – Miscellaneous Provisions
4 Section 9–1301(c)(1)
5 Annotated Code of Maryland
6 (2011 Replacement Volume and 2012 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article 24 – Political Subdivisions – Miscellaneous Provisions
9 Section 9–1301(c)(2)
10 Annotated Code of Maryland
11 (2011 Replacement Volume and 2012 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Economic Development
14 Section 12–201, 12–203, and 12–207 through 12–211
15 Annotated Code of Maryland
16 (2008 Volume and 2012 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Housing and Community Development
19 Section 6–201(l) and 6–205(a)
20 Annotated Code of Maryland
21 (2006 Volume and 2012 Supplement)

22 Preamble

23 WHEREAS, The revitalization of existing Maryland communities is a priority
24 for achieving the State’s statutory smart growth goals; and

25 WHEREAS, In 2010 the General Assembly passed the Sustainable
26 Communities Act to refine its focus on and develop a coordinated approach to creating,
27 enhancing, supporting, and revitalizing sustainable communities; and

28 WHEREAS, The State and local governments have created, through the
29 Sustainable Communities Act, a shared geography of sustainable communities that
30 have the necessary plans in place to revitalize these communities; and

1 WHEREAS, The State has targeted its redevelopment resources to these
2 sustainable communities but more financing tools are necessary; and

3 WHEREAS, Creative and effective approaches to increasing private sector
4 investment are critical to making revitalization progress in sustainable communities;
5 and

6 WHEREAS, The use of bonds by local governments for infrastructure and tax
7 increment financing is an effective and underutilized tool for increasing private sector
8 investment in sustainable communities; now, therefore,

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

11 **Article 23A – Corporations – Municipal**

12 44A.

13 (b) (1) Subject to the provisions of this section, and for the purpose stated
14 in paragraph (2) of this subsection, each municipal corporation in the State may:

15 (i) Create a special taxing district;

16 (ii) Levy ad valorem or special taxes; and

17 (iii) Issue bonds and other obligations.

18 (2) (i) The purpose of the authority granted under paragraph (1) of
19 this subsection is to provide financing, refinancing, or reimbursement for the cost of
20 the design, construction, establishment, extension, alteration, or acquisition of
21 adequate storm drainage systems, sewers, water systems, roads, bridges, culverts,
22 tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries,
23 schools, and other infrastructure improvements as necessary, whether situated within
24 the special taxing district or the municipal corporation or outside of the municipal
25 corporation if notification is given to the governmental unit having jurisdiction over
26 the infrastructure improvement and if the infrastructure improvement is reasonably
27 related to other infrastructure improvements within the special taxing district, for the

1 development and utilization of the land, each with respect to any defined geographic
2 region within the municipal corporation.

3 (ii) The authority granted under paragraph (1)(i) and (ii) of this
4 subsection also makes available a source of funding for payment of costs of:

5 1. Infrastructure improvements located in or supporting
6 a transit-oriented development or a State hospital redevelopment; and

7 2. Operation and maintenance of infrastructure
8 improvements located in or supporting a transit-oriented development or a State
9 hospital redevelopment.

10 (III) FOR THE PURPOSES OF THIS SECTION AND ANY
11 AUTHORITY GRANTED BY THIS SECTION, A SUSTAINABLE COMMUNITY, AS
12 DEFINED IN § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT
13 ARTICLE, SHALL BE CONSIDERED THE SAME AS A TRANSIT-ORIENTED
14 DEVELOPMENT.

15 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

16 9-1301.

17 (c) (1) Subject to the provisions of this section, and for the purpose stated
18 in paragraph (2) of this subsection, the county may:

19 (i) Create a special taxing district;

20 (ii) Levy ad valorem or special taxes; and

21 (iii) Issue bonds and other obligations.

22 (2) (i) The purpose of the authority granted under paragraph (1) of
23 this subsection is to provide financing, refinancing, or reimbursement for the cost of
24 the design, construction, establishment, extension, alteration, or acquisition of
25 adequate storm drainage systems, sewers, water systems, roads, bridges, culverts,
26 tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries,
27 schools, transit facilities, solid waste facilities, and other infrastructure improvements

1 as necessary, whether situated within the special taxing district or outside the special
2 taxing district if the infrastructure improvement is reasonably related to other
3 infrastructure improvements within the special taxing district, for the development
4 and utilization of the land, each with respect to any defined geographic region within
5 the county.

6 (ii) The authority granted under paragraph (1)(i) and (ii) of this
7 subsection also makes available a source of funding for payment of costs of:

8 1. Infrastructure improvements located in or supporting
9 a transit-oriented development or a State hospital redevelopment; and

10 2. Operation and maintenance of infrastructure
11 improvements located in or supporting a transit-oriented development or a State
12 hospital redevelopment.

13 (III) FOR THE PURPOSES OF THIS SECTION AND ANY
14 AUTHORITY GRANTED BY THIS SECTION, A SUSTAINABLE COMMUNITY, AS
15 DEFINED IN § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT
16 ARTICLE, SHALL BE CONSIDERED THE SAME AS A TRANSIT-ORIENTED
17 DEVELOPMENT.

18 **Article - Economic Development**

19 12-201.

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

21 (b) "Adjusted assessable base" means the fair market value of real property
22 that qualifies for a farm or agricultural use under § 8-209 of the Tax - Property
23 Article, without regard to the agricultural use assessment for the property as of
24 January 1 of the year preceding the effective date of the resolution creating the
25 development district under § 12-203 of this subtitle.

26 (c) "Assessable base" means the total assessable base, as determined by the
27 Supervisor of Assessments OR THE GOVERNING BODY IN ACCORDANCE WITH §
28 12-203 OF THIS SUBTITLE, of all real property subject to taxation in a development
29 district.

1 (d) (1) "Assessment ratio" means a real property tax assessment ratio,
2 however designated or calculated, that is used under applicable general law to
3 determine the assessable base.

4 (2) "Assessment ratio" includes the assessment percentage specified
5 under § 8-103(c) of the Tax – Property Article.

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

8 (1) a political subdivision; or

9 (2) the revenue authority of Prince George's County.

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

13 (g) "Development" includes new development, redevelopment, revitalization,
14 and renovation.

15 (h) "Development district" means a contiguous area designated by a
16 resolution.

17 (i) "Issuer" means a political subdivision or the revenue authority of Prince
18 George's County that issues a bond under this subtitle.

19 (j) "MEDCO obligation" means a bond, note, or other similar instrument
20 that the Maryland Economic Development Corporation issues under authority other
21 than this subtitle to finance the cost of infrastructure improvements located in or
22 supporting a transit-oriented development, A SUSTAINABLE COMMUNITY, or a State
23 hospital redevelopment.

24 (k) "Original assessable base" means the assessable base:

25 (1) as of January 1 of the year preceding the effective date of the
26 resolution creating the development district under § 12-203 of this subtitle; OR

1 (2) AFTER JANUARY 1 OF THE YEAR PRECEDING THE EFFECTIVE
2 DATE OF THE RESOLUTION CREATING THE DEVELOPMENT DISTRICT, IF THE
3 POLITICAL SUBDIVISION DETERMINED THE ORIGINAL BASE IN ACCORDANCE
4 WITH § 12-203 OF THIS SUBTITLE.

5 (l) "Original full cash value" means the dollar amount that is determined by
6 dividing the original assessable base by the assessment ratio used to determine the
7 original assessable base.

8 (m) "Original taxable value" means for any tax year the dollar amount that is:

9 (1) the adjusted assessable base, if an adjusted assessable base
10 applies; or

11 (2) in all other cases, the lesser of:

12 (i) the product of multiplying the original full cash value by the
13 assessment ratio applicable to that tax year; and

14 (ii) the original assessable base.

15 (n) "Political subdivision" means a county or a municipal corporation.

16 (o) "State hospital redevelopment" means any combination of private or
17 public commercial, residential, or recreational uses, improvements, and facilities that:

18 (1) is part of a comprehensive coordinated development plan or
19 strategy involving:

20 (i) property that was occupied formerly by a State facility, as
21 defined in § 10-101 of the Health – General Article, or a State residential center, as
22 defined in § 7-101 of the Health – General Article; or

23 (ii) property that is adjacent or reasonably proximate to
24 property that was occupied formerly by a State facility, as defined in § 10-101 of the
25 Health – General Article, or a State residential center, as defined in § 7-101 of the
26 Health – General Article;

1 (2) in accordance with design development principles, maximizes use
2 of the property by those constituencies it is intended to serve; and

3 (3) is designated as a State hospital redevelopment by:

4 (i) the Smart Growth Subcabinet established under § 9-1406 of
5 the State Government Article; and

6 (ii) the local government or multicounty agency with land use
7 and planning responsibility for the relevant area.

8 (p) **“SUSTAINABLE COMMUNITY” HAS THE MEANING STATED IN § 6-201**
9 **OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.**

10 (q) “Tax increment” means for any tax year the amount by which the
11 assessable base as of January 1 of the preceding tax year exceeds the original taxable
12 value divided by the assessment ratio used to determine the original taxable value.

13 [(q)] (R) “Tax year” means the period from July 1 of a calendar year
14 through June 30 of the next calendar year.

15 [(r)] (S) “Transit-oriented development” has the meaning stated in § 7-101
16 of the Transportation Article.

17 12-203.

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

19 (1) [designate] by resolution:

20 (I) DESIGNATE a contiguous area within its jurisdiction as a
21 development district; OR

22 (II) IDENTIFY AN AREA THAT HAS BEEN DESIGNATED A
23 SUSTAINABLE COMMUNITY;

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

4 (3) pledge that until the bonds are fully paid, or a longer period, the
5 real property taxes in the development district OR A SUSTAINABLE COMMUNITY
6 shall be divided as follows:

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

10 (ii) the portion of the taxes on the tax increment that normally
11 would be paid into the general fund of the political subdivision shall be paid into the
12 special fund established under § 12-208 of this subtitle and applied in accordance with
13 § 12-209 of this subtitle.

14 (b) (1) IN THIS SUBSECTION, "BROWNFIELDS SITE" HAS THE
15 MEANING STATED IN § 5-301 OF THIS ARTICLE.

16 (2) BEFORE ISSUING BONDS AND AS PART OF THE RESOLUTION
17 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE GOVERNING BODY OF
18 THE POLITICAL SUBDIVISION MAY DETERMINE THE ORIGINAL BASE OF A
19 BROWNFIELDS SITE.

20 (3) THE DETERMINATION OF THE ORIGINAL BASE OF A
21 BROWNFIELDS SITE UNDER THIS SECTION:

22 (I) IS NOT A DETERMINATION OF THE VALUE OF THE
23 BROWNFIELDS SITE; AND

24 (II) MAY NOT BE USED TO DETERMINE A PROPERTY TAX
25 ASSESSMENT OR APPEAL OF A PROPERTY TAX ASSESSMENT UNDER THE TAX -
26 PROPERTY ARTICLE.

27 (c) The establishment OR IDENTIFICATION by a county of a development
28 district OR A SUSTAINABLE COMMUNITY that is wholly or partly in a municipal

1 corporation shall also require a resolution approving the development district OR
2 SUSTAINABLE COMMUNITY by the governing body of the municipal corporation.

3 12-207.

4 (a) [Bond] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,
5 BOND proceeds may be used only:

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

8 (i) in the development district OR A SUSTAINABLE
9 COMMUNITY; or

10 (ii) needed for a right-of-way or other easement to or from the
11 development district;

12 (2) for site removal;

13 (3) for surveys and studies;

14 (4) to relocate businesses or residents;

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

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

18 (ii) parking; and

19 (iii) lighting;

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

22 (7) for reserves or capitalized interest;

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

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

3 (b) (1) THIS SUBSECTION APPLIES TO A SUSTAINABLE COMMUNITY
4 IDENTIFIED UNDER § 12-203 OF THIS SUBTITLE.

5 (2) IN ADDITION TO THE PURPOSES UNDER SUBSECTION (A) OF
6 THIS SECTION, BOND PROCEEDS MAY BE USED IN A SUSTAINABLE COMMUNITY
7 FOR:

8 (I) HISTORIC PRESERVATION OR REHABILITATION;

9 (II) ENVIRONMENTAL REMEDIATION, DEMOLITION, AND
10 SITE PREPARATION;

11 (III) PARKING LOTS, FACILITIES, OR STRUCTURES OF ANY
12 TYPE WHETHER FOR PUBLIC OR PRIVATE USE;

13 (IV) HIGHWAYS AS DEFINED IN § 8-101 OF THE
14 TRANSPORTATION ARTICLE OR TRANSIT SERVICE AS DEFINED IN § 7-101 OF
15 THE TRANSPORTATION ARTICLE THAT SUPPORT SUSTAINABLE COMMUNITIES;

16 (V) SCHOOLS; AND

17 (VI) AFFORDABLE OR MIXED INCOME HOUSING.

18 (C) (1) In addition to the purposes listed in subsection (a) of this section,
19 the proceeds from bonds that Prince George's County or the revenue authority of
20 Prince George's County issues may be used:

21 (i) for convention, conference, or visitors' centers;

22 (ii) to maintain infrastructure improvements and convention,
23 conference, or visitors' centers;

24 (iii) to market development district facilities and other
25 improvements; and

1 (iv) for the purpose of encouraging redevelopment in those areas
2 listed in paragraph (2) of this subsection, to install infrastructure improvements,
3 including:

- 4 1. streets;
- 5 2. parking structures of any type whether for public or
6 private use;
- 7 3. utilities;
- 8 4. street lights;
- 9 5. stormwater management and storm drain facilities;
- 10 6. fencing;
- 11 7. noise walls;
- 12 8. retaining walls;
- 13 9. trails;
- 14 10. sidewalks;
- 15 11. pedestrian and vehicular bridges; and
- 16 12. park facilities.

17 (2) The purpose of the authority granted by paragraph (1)(iv) of this
18 subsection is to encourage redevelopment in:

- 19 (i) revitalization areas designated by the county;
- 20 (ii) mixed use centers;
- 21 (iii) blighted areas; and

1 (iv) the Developed Tier, growth corridors, and growth centers, as
2 defined in the county General Plan.

3 [(c)] (D) (1) In addition to the purposes listed in subsection (a) of this
4 section, the proceeds from bonds that a municipal corporation issues may be used for
5 the purpose of encouraging redevelopment in those areas listed in paragraph (2) of this
6 subsection, to install infrastructure improvements, including:

7 (i) streets;

8 (ii) parking structures of any type whether for public or private
9 use;

10 (iii) utilities;

11 (iv) street lights;

12 (v) stormwater management and storm drain facilities;

13 (vi) fencing;

14 (vii) noise walls;

15 (viii) retaining walls;

16 (ix) trails;

17 (x) sidewalks;

18 (xi) pedestrian and vehicular bridges; and

19 (xii) park facilities.

20 (2) The purpose of the authority granted by paragraph (1) of this
21 subsection is to encourage redevelopment in:

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1 (i) revitalization areas designated by a county or municipal
2 corporation;

3 (ii) mixed use centers;

4 (iii) blighted areas; and

5 (iv) developed areas and growth areas, as defined in a county or
6 municipal corporation land use plan.

7 12-208.

8 (a) The governing body of a political subdivision may adopt a resolution
9 creating a special fund for a development district **OR A SUSTAINABLE COMMUNITY**
10 even though no bonds:

11 (1) have been issued for the development district **OR THE**
12 **SUSTAINABLE COMMUNITY**; or

13 (2) are outstanding at the time of adoption.

14 (b) The taxes allocated to the special fund in accordance with §
15 12-203(a)(3)(ii) of this subtitle shall be deposited in the special fund while the
16 resolution that created the special fund remains in effect.

17 (c) Other than tax revenues received from residential properties in Prince
18 George's County, the tax collected under § 12-203(a)(3)(ii) of this subtitle is not
19 considered a tax of the political subdivision for the purposes of any constant yield
20 limitation or State or local restriction.

21 (d) State real property taxes may not be paid into the special fund.

22 12-209.

23 (a) Subject to subsection (c) of this section, the special fund for the
24 development district **OR THE SUSTAINABLE COMMUNITY** may be used for any of the
25 following purposes as determined by the governing body of the political subdivision:

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

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

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

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

10 (b) (1) Subject to paragraph (2) of this subsection, the political subdivision
11 that has created a special fund for a development district **OR A SUSTAINABLE**
12 **COMMUNITY** may pledge under an agreement that amounts deposited to the special
13 fund shall be paid over to secure payment on MEDCO obligations.

14 (2) The agreement shall:

15 (i) be in writing;

16 (ii) be executed by the political subdivision making the pledge,
17 the Maryland Economic Development Corporation, and the other persons that the
18 governing body of the political subdivision determines; and

19 (iii) run to the benefit of and be enforceable on behalf of the
20 holders of the MEDCO obligations secured by the agreement.

21 (c) If bonds are outstanding with respect to a development district **OR A**
22 **SUSTAINABLE COMMUNITY**, the special fund may be used as described in subsection
23 (a) of this section in any fiscal year only if:

24 (1) the balance of the special fund exceeds the unpaid debt service
25 payable on the bonds in the fiscal year; and

26 (2) the special fund is not restricted so as to prohibit the use.

1 (d) The issuance of bonds pledging the full faith and credit of the political
2 subdivision shall comply with appropriate county or municipal charter requirements.

3 12-210.

4 (a) (1) Subject to paragraph (2) of this subsection, the governing body of a
5 political subdivision that is not the issuer may pledge under an agreement that its
6 property taxes levied on the tax increment shall be paid into the special fund for the
7 development district **OR A SUSTAINABLE COMMUNITY**.

8 (2) The agreement shall:

9 (i) be in writing;

10 (ii) be executed by the governing bodies of the issuer and the
11 political subdivision making the pledge; and

12 (iii) run to the benefit of and be enforceable on behalf of any
13 bondholder.

14 (b) The governing body of Prince George's County may also pledge hotel
15 rental tax revenues to the special fund.

16 (c) The governing body of a political subdivision, including the issuer, may
17 pledge by or under a resolution, including by an agreement with the issuer, as
18 applicable, that alternative local tax revenues generated within, or that are otherwise
19 determined to be attributable to, a development district that is a transit-oriented
20 development, **A SUSTAINABLE COMMUNITY**, or a State hospital redevelopment be
21 paid, as provided in the resolution, into the special fund to:

22 (1) secure the payment of debt service on bonds or MEDCO
23 obligations; or

24 (2) be applied to the other purposes stated in § 12-209 of this subtitle.

25 12-211.

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

4 (b) If a political subdivision leases as a lessor its property within a
5 development district **OR A SUSTAINABLE COMMUNITY:**

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

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

11 **Article – Housing and Community Development**

12 6–201.

13 (l) “Sustainable community” means the part of a priority funding area that:

14 (1) as determined by the Smart Growth Subcabinet, satisfies the
15 requirements of § 6–205 of this subtitle;

16 (2) has been designated as a BRAC Revitalization and Incentive Zone
17 under Title 5, Subtitle 13 of the Economic Development Article; or

18 (3) has been designated a transit-oriented development under § 7–101
19 of the Transportation Article.

20 6–205.

21 (a) The Smart Growth Subcabinet, on the recommendation of the Secretary,
22 may designate an area as a sustainable community if the sponsor demonstrates that
23 past and current trends in homeownership, property values, commercial and
24 residential vacancy, and business or housing investment show a need for reinvestment
25 in the area and if:

1 (1) entities in the community, such as local governments, employers,
2 educational institutions, civic organizations, community organizations, or cultural
3 organizations, support the proposed sustainable community plan and have pledged
4 resources to develop or implement it;

5 (2) the proposed sustainable community plan addresses the need for
6 reinvestment in the area and will enhance the area, and give individuals of different
7 incomes a range of housing options, employment opportunities, and other amenities;

8 (3) a community in the proposed area is culturally or historically
9 significant;

10 (4) the proposed area is near a town center or a transportation center;

11 (5) the proposed sustainable community plan is consistent with and
12 complements other existing or proposed projects for housing, commercial or
13 community development, education, historic preservation, neighborhood revitalization,
14 transportation, or other things significant to the comprehensive enhancement of the
15 community; or

16 (6) there is a demonstrated need for financing assistance for small
17 businesses, nonprofit organizations, or microenterprises.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be
19 construed or interpreted to limit the use outside of a sustainable community of tax
20 increment financing as provided for in Title 12, Subtitle 2 of the Economic
21 Development Article.

22 SECTION 3. AND BE IT FURTHER ENACTED, That a political subdivision
23 that issues bonds, notes, or other similar instruments for a sustainable community as
24 provided for in Article 23A, § 44A of the Code, Article 24, § 9-1301 of the Code, or Title
25 12, Subtitle 2 of the Economic Development Article, shall receive priority for other
26 State funding for that sustainable community in the following programs:

27 (1) Community Legacy Program;

28 (2) Sustainable Communities Tax Credit Program for commercial
29 properties;

- 1 (3) Neighborhood Business Development Program;
- 2 (4) Maryland Historical Trust Grant Programs; and
- 3 (5) African American Heritage Grant Program.

4 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2013.