

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1247

(Prince George's County Delegation)

Ways and Means and Economic Matters

Budget and Taxation

Prince George's County - Tax Increment Financing - Extraordinary
Development District - Alterations
PG 425-26

This emergency bill authorizes the proceeds from bonds that Prince George’s County or the revenue authority of Prince George’s County issues to be used for the acquisition, construction, or rehabilitation of an “immersive entertainment venue” located within an extraordinary development district. The bill authorizes the Maryland-National Capital Park and Planning Commission (M-NCPPC) to pledge specified tax revenue as security for bonds issued by Prince George’s County. The bill also establishes that M-NCPPC may not *pledge as security* specified property taxes until both it and the governing body of Prince George’s County adopt specified resolutions.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: Prince George’s County expenditures and revenues increase beginning as early as FY 2026, and a portion of M-NCPPC property tax revenues may be redirected, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Immersive entertainment venue” means an entertainment venue that (1) is owned by a private entity; (2) has at least 3,000 seats; (3) has an aggregate development cost of at least \$500.0 million; and (4) has an immersive experience with

advanced display technology, including 4D visual effects and spherical LED screens. The bill makes a related change to the definition of “extraordinary development district” to include the site of an immersive entertainment venue.

Current Law:

Tax Increment Financing

All counties and municipalities in Maryland, except Baltimore City, are authorized to utilize tax increment financing (TIF) under Title 12, Subtitle 2 of the Economic Development Article (the Tax Increment Financing Act). Baltimore City has separate authority to use TIF as provided in the city charter. Counties and municipalities (including Baltimore City) may issue bonds to finance the development of an industrial, commercial, or residential area.

TIF is a public financing method that uses future gains in tax revenues to finance current improvements. The increase in the property tax revenue generated by new commercial development in a specific area, the TIF district, pays for bonds issued to finance site improvements, infrastructure, and other project costs located on public property. In a TIF district, the local government “freezes” the existing property tax base and uses the property tax revenue from this base as it would normally use such funds. The difference between the current tax base and the frozen base in each future year is termed the incremental valuation. The local government apportions the property tax revenue on the incremental valuation to a special account for certain purposes, including to pay debt service on the bonds and to potentially pay for additional public expenditures in the TIF district. The TIF district ceases to exist upon the retirement of the bonds, and after that time, all property tax revenue may be appropriated by normal means.

Under the Tax Increment Financing Act, a development district must be a contiguous area and authority to issue bonds is generally limited to the local governing body. However, the revenue authority of Prince George’s County may issue bonds in accordance with an ordinance adopted by the governing body of the county, and local revenues may be pledged to debt issued by the Maryland Economic Development Corporation in specified circumstances.

Extraordinary Development District

An “extraordinary development district” is a development district that is designated as such by resolution and contains at least 50 acres, on all or part of which a federal law enforcement agency will be located. M-NCPPC may enter into an agreement with Prince George’s County to deposit all or a portion of M-NCPPC property taxes levied by the county on the tax increment in an extraordinary development district into a special fund

for the extraordinary development district. M-NCPPC may not enter into an agreement until the governing body of Prince George's County has adopted a resolution designating the extraordinary development district and M-NCPPC has adopted a resolution approving the agreement. M-NCPPC may not be an obligor for any bonds issued by Prince George's County for an extraordinary development district.

Local Fiscal Effect: Prince George's County revenues increase beginning as early as fiscal 2026 from bond revenues and/or taxes imposed under existing authorities for the purposes authorized under the bill. Prince George's County expenditures increase beginning as early as fiscal 2026 as any bond proceeds and/or tax revenues are spent, followed in future years by debt service payments and/or continued tax revenue spending.

A portion of M-NCPPC property tax revenues imposed within the established extraordinary development district may be redirected under the bill. If so, M-NCPPC can handle related administrative requirements with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Prince George's County; Maryland-National Capital Park and Planning Commission; Department of Commerce; Maryland Department of Planning; Department of Legislative Services

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