

# HOUSE BILL 1580

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By: **Chair, Ways and Means Committee (By Request – Departmental – Maryland Economic Development Corporation)**

Introduced and read first time: February 13, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Enhanced Tax Increment Financing (TIF)**  
3 **Districts**

4 FOR the purpose of authorizing the Maryland Economic Development Corporation to issue  
5 bonds for the development of a Maryland enhanced Tax Increment Financing (TIF)  
6 district subject to the approval of the Board of Public Works; authorizing the Board  
7 to authorize the State to pledge certain revenues for Maryland enhanced TIF  
8 districts, subject to a recommendation by the Corporation; and generally relating to  
9 Maryland enhanced TIF districts.

10 BY repealing and reenacting, with amendments,  
11 Article – Economic Development  
12 Section 12–201, 12–204, and 12–210  
13 Annotated Code of Maryland  
14 (2024 Replacement Volume and 2025 Supplement)

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

### 17 **Article – Economic Development**

18 12–201.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) "Assessable base" means the total assessable base, as determined by the  
2 Supervisor of Assessments or the governing body in accordance with § 12–203(b) of this  
3 subtitle, of all real property subject to taxation in a development district or a sustainable  
4 community.

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

8 (2) "Assessment ratio" includes the assessment percentage specified under  
9 § 8–103(c) of the Tax – Property Article.

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

12 (1) a political subdivision; [or]

13 (2) the revenue authority of Prince George's County; **OR**

14 **(3) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION.**

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

17 (g) "Development" includes new development, redevelopment, revitalization, and  
18 renovation.

19 (h) (1) "Development district" means a contiguous area designated by a  
20 resolution.

21 (2) "Development district" includes:

22 **(I) an extraordinary development district; AND**

23 **(II) A MARYLAND ENHANCED TIF DISTRICT.**

24 (i) "Extraordinary development district" means a development district that:

25 (1) is designated as such by resolution; and

26 (2) contains at least 50 acres, on all or part of which a federal law  
27 enforcement agency will be located.

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

1           **(K) “MARYLAND ENHANCED TIF DISTRICT” MEANS A DEVELOPMENT**  
2 **DISTRICT WITH A DEVELOPMENT PROJECT OR PLAN:**

3                   **(1) (I) THAT INCLUDES A CONVENTION CENTER; OR**

4                               **(II) THAT IS WITHIN 1/2 MILE OF A TRANSIT STATION IN THE**  
5 **STATE;**

6                   **(2) THAT EXCEEDS \$500,000,000 IN TOTAL PROJECT COSTS; AND**

7                   **(3) FOR WHICH THE LOCAL JURISDICTION HAS APPROVED TAX**  
8 **INCREMENT FINANCING.**

9           **[(k)] (L) “MEDCO obligation” means a bond, note, or other similar instrument**  
10 **that the Maryland Economic Development Corporation issues under authority other than**  
11 **this subtitle to finance the cost of infrastructure improvements located in or supporting a**  
12 **transit-oriented development, a sustainable community, a RISE zone, A MARYLAND**  
13 **ENHANCED TIF DISTRICT, or a State hospital redevelopment.**

14           **[(l)] (M) “Original base” means the assessable base:**

15                   (1) as of January 1 of the year preceding the effective date of the resolution  
16 creating the development district under § 12–203 of this subtitle; or

17                   (2) if the political subdivision determined the original base in accordance  
18 with § 12–203(b) of this subtitle, the base value as established in the resolution.

19           **[(m)] (N) “Original full cash value” means the dollar amount that is determined**  
20 **by dividing the original base by the assessment ratio used to determine the original base.**

21           **[(n)] (O) “Original taxable value” means for any tax year the dollar amount that**  
22 **is:**

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

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

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

27                               (ii) the original base.

28           **[(o)] (P) “Political subdivision” means a county or a municipal corporation.**

1            **[(p)] (Q)**     “RISE zone” means an area designated as a Regional Institution  
2 Strategic Enterprise zone under § 5–1404 of this article.

3            **[(q)] (R)**     “State hospital redevelopment” means any combination of private or  
4 public commercial, residential, or recreational uses, improvements, and facilities that:

5                    (1)     is part of a comprehensive coordinated development plan or strategy  
6 involving:

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

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

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

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

17                            (i)     the Smart Growth Subcabinet established under § 9–1406 of the  
18 State Government Article; and

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

21            **[(r)] (S)**     (1)     “Sustainable community” has the meaning stated in § 6–201 of  
22 the Housing and Community Development Article.

23                    (2)     “Sustainable community” includes a portion of a sustainable  
24 community.

25            **[(s)] (T)**     “Tax increment” means for any tax year the amount by which the  
26 assessable base as of January 1 of the preceding tax year exceeds the original base taxable  
27 value divided by the assessment ratio used to determine the original taxable value.

28            **[(t)] (U)**     “Tax year” means the period from July 1 of a calendar year through  
29 June 30 of the next calendar year.

30            **[(u)] (V)**     “Transit-oriented development” has the meaning stated in § 7–101 of  
31 the Transportation Article.

32 12–204.

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

3 (b) To issue bonds under this subtitle, the governing body of a political subdivision  
4 shall adopt an ordinance that:

5 (1) describes the proposed undertaking; and

6 (2) states:

7 (i) that the governing body has complied with §§ 12–203 and  
8 12–208(c) and (d) of this subtitle;

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

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

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

13 (1) the principal amount;

14 (2) the rate of interest;

15 (3) the manner and terms of sale, **WHICH MAY BE A PRIVATE OR PUBLIC**  
16 **SALE AS DETERMINED BY THE ISSUER;**

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

18 (5) the form and denomination;

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

21 (7) conditions for redemption before maturity; or

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

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

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

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

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

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

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

9 **(G) ON APPROVAL FROM THE BOARD OF PUBLIC WORKS, THE MARYLAND**  
10 **ECONOMIC DEVELOPMENT CORPORATION MAY ISSUE BONDS FOR THE MARYLAND**  
11 **ENHANCED TIF DISTRICT UNDER § 12–210 OF THIS SUBTITLE.**

12 12–210.

13 (a) (1) Subject to paragraph (2) of this subsection, the governing body of a  
14 political subdivision that is not the issuer may pledge under an agreement that its property  
15 taxes levied on the tax increment shall be paid into the special fund for the development  
16 district, a RISE zone, or a sustainable community.

17 (2) The agreement shall:

18 (i) be in writing;

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

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

23 (3) (i) This paragraph applies only in Prince George's County.

24 (ii) Subject to § 18–310 of the Land Use Article, the  
25 Maryland–National Capital Park and Planning Commission may enter into an agreement  
26 with Prince George's County to pay all or a portion of the property taxes levied by the county  
27 under §§ 18–304, 18–306, and 18–307 of the Land Use Article on the tax increment in an  
28 extraordinary development district in the county to the county for deposit into a special  
29 fund for the extraordinary development district.

30 (iii) The agreement authorized under subparagraph (ii) of this  
31 paragraph shall:

32 1. be in writing; and

1                   2.     be executed by the governing body of Prince George's  
2 County and, on proper authorization, the Maryland–National Capital Park and Planning  
3 Commission.

4                   (iv)    The Maryland–National Capital Park and Planning Commission  
5 may not be an obligor for any bonds issued by Prince George's County for an extraordinary  
6 development district.

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

9           (c)     The governing body of a political subdivision, including the issuer, may pledge  
10 by or under a resolution, including by an agreement with the issuer, as applicable, that  
11 alternative local tax revenues generated within, or that are otherwise determined to be  
12 attributable to, a development district that is a transit–oriented development, a RISE zone,  
13 a sustainable community, **A MARYLAND ENHANCED TIF DISTRICT**, or a State hospital  
14 redevelopment be paid, as provided in the resolution, into the special fund to:

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

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

17           (d)     (1)     With the approval by resolution of the governing body of a political  
18 subdivision, the Maryland Economic Development Corporation may pledge alternative  
19 revenues generated within or otherwise directly attributable to a project located in an  
20 approved development district, a transit–oriented development, a RISE zone, a sustainable  
21 community, or a State hospital redevelopment.

22                   (2)     The revenues pledged in accordance with paragraph (1) of this  
23 subsection shall be paid, as provided in the resolution, into the special fund for the  
24 development district, transit–oriented development, RISE zone, sustainable community, or  
25 State hospital redevelopment to:

26                   (i)     secure the payment of debt service on bonds or MEDCO  
27 obligations;

28                   (ii)    support the Strategic Infrastructure Revolving Loan Fund  
29 established under § 10–134 of this division; or

30                   (iii)  be applied to the other purposes stated in § 12–209 of this  
31 subtitle.

32           **(E) ON THE RECOMMENDATION OF THE MARYLAND ECONOMIC**  
33 **DEVELOPMENT CORPORATION, THE BOARD OF PUBLIC WORKS MAY AUTHORIZE**  
34 **THE PLEDGE BY THE STATE OF ALTERNATIVE REVENUES TO PROJECTS IN A**  
35 **MARYLAND ENHANCED TIF DISTRICT, INCLUDING:**

1           **(1) ALL OR A PORTION OF THE INCREMENTAL SALES TAXES FROM THE**  
2 **MARYLAND ENHANCED TIF DISTRICT; AND**

3           **(2) ALL OR A PORTION OF THE INCREMENTAL INCOME TAXES FROM**  
4 **THE MARYLAND ENHANCED TIF DISTRICT.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
6 1, 2026.