

SENATE BILL 190

R2, Q8

(PRE-FILED)

5lr0207
CF HB 80

By: **Chair, Budget and Taxation Committee (By Request – Departmental –
Transportation)**

Requested: October 9, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Land Use – Transit-Oriented Development – Alterations**

3 FOR the purpose of altering the authority of local legislative bodies to regulate land use
4 planning on certain land that is located within a certain radius of, or, under certain
5 circumstances, adjacent to, certain transit stations; exempting certain special taxes
6 for the benefit of transit-oriented development from any county tax limitation or
7 bond cap; exempting transit-oriented development from certain provisions of State
8 procurement law; authorizing the deposit of certain bond proceeds into the
9 Transit-Oriented Development Capital Grant and Revolving Loan Fund; repealing
10 a certain geographical limitation on the use of certain money in the Transit-Oriented
11 Development Capital Grant and Revolving Loan Fund; altering the authorized uses
12 of the Transit-Oriented Development Capital Grant and Revolving Loan Fund to
13 include certain planning and financing costs; authorizing the Maryland Department
14 of Transportation to establish transit-oriented development (TOD) corridor funds
15 financed by revenue from county special taxing districts to benefit transit-oriented
16 development; and generally relating to transit-oriented development.

17 BY repealing and reenacting, without amendments,

18 Article – Land Use

19 Section 1–101(a) and (g)

20 Annotated Code of Maryland

21 (2012 Volume and 2024 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – Land Use

24 Section 4–104

25 Annotated Code of Maryland

26 (2012 Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Local Government
3 Section 21–508(a)(4) and (5)
4 Annotated Code of Maryland
5 (2013 Volume and 2024 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Local Government
8 Section 21–508(c)
9 Annotated Code of Maryland
10 (2013 Volume and 2024 Supplement)

11 BY adding to
12 Article – State Finance and Procurement
13 Section 11–203(l)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Transportation
18 Section 7–101(a) and (p)
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2024 Supplement)
21 (As enacted by Chapter 512 of the Acts of the General Assembly of 2023)

22 BY repealing and reenacting, without amendments,
23 Article – Transportation
24 Section 7–1201(a) and (c)
25 Annotated Code of Maryland
26 (2020 Replacement Volume and 2024 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Transportation
29 Section 7–1203(c) and 7–1204(a)
30 Annotated Code of Maryland
31 (2020 Replacement Volume and 2024 Supplement)

32 BY adding to
33 Article – Transportation
34 Section 7–1301 and 7–1302 to be under the new subtitle “Subtitle 13. TOD Corridor
35 Funds”
36 Annotated Code of Maryland
37 (2020 Replacement Volume and 2024 Supplement)

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

Article – Land Use

1

2 1–101.

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

4 (g) (1) “Legislative body” means the elected body of a local jurisdiction.

5 (2) “Legislative body” includes:

6 (i) the board of county commissioners;

7 (ii) the county council; and

8 (iii) the governing body of a municipal corporation.

9 4–104.

10 (a) In this section, “modular dwelling” means a building assembly or system of
11 building subassemblies designed for habitation as a dwelling for one or more individuals:12 (1) that includes the necessary electrical, plumbing, heating, ventilating,
13 and other service systems;14 (2) that is made or assembled by a manufacturer on or off the building site
15 for installation, or assembly and installation, on the building site; and16 (3) installed and set up according to the manufacturer’s instructions on an
17 approved foundation and support system.

18 (b) The powers granted to a local jurisdiction under this subtitle do not:

19 (1) grant the local jurisdiction powers in any substantive area not
20 otherwise granted to the local jurisdiction by any other public general or public local law;21 (2) restrict the local jurisdiction from exercising any power granted to the
22 local jurisdiction by any other public general or public local law or otherwise;23 (3) authorize the local jurisdiction or its officers to engage in any activity
24 that is beyond their power under any other public general or public local law or otherwise;
25 or26 (4) preempt or supersede the regulatory authority of any unit of the State
27 under any public general law.

1 (c) (1) (I) If a legislative body regulates off-street parking, the legislative
 2 body shall require space for the parking of bicycles in a manner that the legislative body
 3 considers appropriate.

4 [(2)] (II) A legislative body may allow a reduction in the number of
 5 required automobile parking spaces based on the availability of space for parking bicycles.

6 (2) A LEGISLATIVE BODY MAY NOT IMPOSE A MINIMUM OFF-STREET
 7 PARKING REQUIREMENT ON A RESIDENTIAL OR MIXED-USE DEVELOPMENT THAT IS
 8 LOCATED WITHIN 0.5 MILES OF A RAIL TRANSIT STATION.

9 (d) A legislative body may not prohibit the placement of a new manufactured
 10 home or modular dwelling in a zone that allows single-family residential uses if the home
 11 or dwelling:

12 (1) (i) meets the definition of modular dwelling under subsection (a) of
 13 this section; or

14 (ii) meets the definition of a manufactured home in § 9-102(a) of the
 15 Commercial Law Article and is, or will be after purchase, converted to real property in
 16 accordance with Title 8B, Subtitle 2 of the Real Property Article; or

17 (2) is located on land:

18 (i) currently or previously owned by the federal government;

19 (ii) greater than 80 acres in size; and

20 (iii) that was the site of a former U.S. military reservation.

21 (E) A LEGISLATIVE BODY MAY NOT TAKE AN ACTION TO PRECLUDE
 22 MIXED-USE DEVELOPMENT THAT IS LOCATED WITHIN 0.5 MILES OF A RAIL TRANSIT
 23 STATION.

24 (F) FOR STATE-OWNED LAND IN USE FOR A TRANSPORTATION PURPOSE
 25 ADJACENT TO A TRANSIT STATION, A LEGISLATIVE BODY MAY NOT IMPOSE LOCAL
 26 ZONING RESTRICTIONS IF THE LAND IS SUBJECT TO A TRANSIT-ORIENTED
 27 DEVELOPMENT PLAN APPROVED BY THE DEPARTMENT OF TRANSPORTATION.

28 Article – Local Government

29 21-508.

30 (a) The governing body of a county may provide for the imposition of an ad
 31 valorem or special tax on all real and personal property in a special taxing district at a rate
 32 or amount designed to provide adequate revenue:

1 (4) to pay costs of infrastructure improvements located in or supporting a
2 transit-oriented development or a State hospital redevelopment;

3 (5) to pay costs of operating and maintaining infrastructure improvements
4 located in or supporting a transit-oriented development or a State hospital redevelopment;
5 or

6 (c) (1) As an alternative to imposing ad valorem taxes under this subtitle, the
7 governing body of a county may impose special taxes in accordance with this subsection on
8 property in a special taxing district.

9 (2) In determining the basis for and amount of a special tax, the cost of an
10 improvement may be calculated and imposed:

11 (i) equally per front foot, lot, parcel, dwelling unit, or square foot;

12 (ii) according to the value of the property, with or without regard to
13 improvements on the property; or

14 (iii) in any other reasonable manner that results in a fair allocation
15 of the cost of the infrastructure improvements.

16 (3) The governing body of a county may enact an ordinance or a resolution
17 for:

18 (i) the maximum amount of a special tax to be imposed on any
19 parcel;

20 (ii) the tax year or other date after which further special taxes under
21 this subtitle may not be imposed on a parcel; and

22 (iii) whether, and the circumstances under which, a special tax on a
23 parcel may be increased because of delinquency or default by the owner of that parcel or by
24 the owner of any other parcel.

25 (4) By ordinance or resolution, the governing body of a county may
26 establish procedures allowing for the prepayment of special taxes under this subtitle.

27 (5) A special tax imposed under this subtitle shall:

28 (i) unless otherwise provided in an ordinance or a resolution, be
29 collected and secured in the same manner as general ad valorem taxes; [and]

30 (ii) in the case of delinquency, be subject to the same penalties,
31 procedure, sale, and lien priority as general ad valorem taxes; **AND**

1 **(III) FOR A SPECIAL TAX IMPOSED FOR THE BENEFIT OF**
 2 **TRANSIT-ORIENTED DEVELOPMENT, BE EXEMPT FROM ANY COUNTY TAX**
 3 **LIMITATION OR BOND CAP.**

4 **(6) THE REVENUES GENERATED BY A SPECIAL TAX IMPOSED FOR THE**
 5 **BENEFIT OF TRANSIT-ORIENTED DEVELOPMENT BY A COUNTY UNDER PARAGRAPH**
 6 **(4) OR (5) OF THIS SUBSECTION MAY BE DISTRIBUTED TO A TOD CORRIDOR FUND**
 7 **ESTABLISHED UNDER § 7-1302 OF THE TRANSPORTATION ARTICLE.**

8 **Article – State Finance and Procurement**

9 11-203.

10 **(L) THIS DIVISION II DOES NOT APPLY TO A TRANSIT-ORIENTED**
 11 **DEVELOPMENT UNDER TITLE 7 OF THE TRANSPORTATION ARTICLE.**

12 **Article – Transportation**

13 7-101.

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

15 (p) “Transit-oriented development” means a mix of private or public parking
 16 facilities, commercial and residential structures, and uses, improvements, and facilities
 17 customarily appurtenant to such facilities and uses, that:

18 (1) Is part of a deliberate development plan or strategy involving:

19 (i) Property that is adjacent to the passenger boarding and alighting
 20 location of a planned or existing transit station;

21 (ii) Property, any part of which is located within one-half mile of the
 22 passenger boarding and alighting location of a planned or existing transit station; or

23 (iii) Property that is adjacent to a planned or existing transit corridor;

24 (2) Is planned to maximize the use of transit, walking, and bicycling by
 25 residents and employees; and

26 (3) Is designated as a transit-oriented development by:

27 (i) The Smart Growth Subcabinet established under § 9-1406 of the
 28 State Government Article; and

29 (ii) The local government or multicounty agency with land use and
 30 planning responsibility for the relevant area applying for designation.

1 7-1201.

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

3 (c) "Fund" means the Transit-Oriented Development Capital Grant and
4 Revolving Loan Fund.

5 7-1203.

6 (c) (1) The Fund consists of:

7 (i) Money appropriated in the State budget to the Fund;

8 (ii) Money made available for qualifying uses by the Fund from other
9 governmental sources, including eligible federal funding and the Transportation Trust
10 Fund;

11 (iii) Ground rents or land sale proceeds in accordance with §
12 10-306(c)(2) of the State Finance and Procurement Article;

13 (iv) Payments of principal of and interest on loans made under this
14 title;

15 (v) Investment earnings of the Fund; [and]

16 (vi) **PROCEEDS FROM BONDS ISSUED BY THE DEPARTMENT**
17 **UNDER THIS TITLE; AND**

18 **(VII)** Any other money from any other source, public or private,
19 accepted for the benefit of the Fund.

20 (2) Contributions to the Fund under paragraph (1)(iii) of this subsection
21 shall[:

22 (i) **Be] BE** separately accounted for in the Fund[; and

23 (ii) **Be** used only for the benefit of transit-oriented developments in
24 the same county where the real property subject to the ground rent or land sale is located].

25 7-1204.

26 (a) (1) The Fund may be used by the Department to provide financial
27 assistance to local jurisdictions for:

1 (i) **PLANNING EFFORTS FOR A SITE ADJACENT TO TRANSIT**
 2 **THAT IS NOT DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT TO PREPARE**
 3 **THAT SITE FOR SUCH DESIGNATION;**

4 (ii) **(II)** Design plans for a transit-oriented development, provided that
 5 the transit-oriented development will be designed to meet equity goals established by the
 6 Department;

7 ~~[(ii)]~~ **(III)** Public infrastructure improvements within a
 8 transit-oriented development; or

9 ~~[(iii)]~~ **(IV)** Gap funding **AND FINANCING** for **COSTS ASSOCIATED**
 10 **WITH** public or private development within a transit-oriented development.

11 (2) A private entity, including a nonprofit entity, participating in the
 12 development of a transit-oriented development may partner with a local jurisdiction to
 13 submit an application for financial assistance under paragraph ~~[(1)(iii)]~~ **(1)(IV)** of this
 14 subsection.

15 **SUBTITLE 13. TOD CORRIDOR FUNDS.**

16 **7-1301.**

17 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
 18 **INDICATED.**

19 (B) **“COUNTY SPECIAL TAXING DISTRICT” MEANS A TAXING DISTRICT**
 20 **ESTABLISHED BY THE GOVERNING BODY OF A COUNTY UNDER TITLE 21, SUBTITLE**
 21 **5 OF THE LOCAL GOVERNMENT ARTICLE.**

22 (C) **“TOD CORRIDOR FUND” MEANS A FUND ESTABLISHED AND**
 23 **ADMINISTERED BY THE DEPARTMENT TO SUPPORT TRANSIT-ORIENTED**
 24 **DEVELOPMENT ADJACENT TO A PLANNED OR EXISTING TRANSIT CORRIDOR.**

25 **7-1302.**

26 (A) **THE DEPARTMENT MAY ESTABLISH TOD CORRIDOR FUNDS TO**
 27 **COLLECT REVENUES FROM COUNTY SPECIAL TAXING DISTRICTS ESTABLISHED TO**
 28 **BENEFIT TRANSIT-ORIENTED DEVELOPMENT.**

29 (B) **A TOD CORRIDOR FUND MAY BE USED WITHIN APPLICABLE SPECIAL**
 30 **TAXING DISTRICTS TO:**

1 **(1) SUPPORT THE ISSUANCE OF BONDS FOR TRANSIT-ORIENTED**
2 **DEVELOPMENT-RELATED ACTIVITIES;**

3 **(2) PROVIDE A DEDICATED SOURCE OF REVENUES TO REPAY**
4 **FEDERAL LOANS FOR TRANSIT-ORIENTED DEVELOPMENT; AND**

5 **(3) SUPPORT OTHER FINANCING ACTIVITIES FOR THE BENEFIT OF**
6 **TRANSIT-ORIENTED DEVELOPMENT.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That § 4-104(e) of the Land Use
8 Article, as enacted by Section 1 of this Act, shall apply only to land use rezonings or actions
9 taken by a legislative body on or after the effective date of this Act.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2025.