

HOUSE BILL 135

C8

(PRE-FILED)

6lr1501

CF 6lr0707

By: **Delegates Schindler, Behler, and Qi**

Requested: October 30, 2025

Introduced and read first time: January 14, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Tax Increment Financing – Noncontiguous Areas**

3 FOR the purpose of authorizing the governing body of a political subdivision to designate
4 certain noncontiguous areas as development districts; and generally relating to tax
5 increment financing for noncontiguous areas.

6 BY renumbering

7 Article – Economic Development
8 Section 12–201(e) through (u)
9 to be Section 12–201(f) through (v), respectively
10 Annotated Code of Maryland
11 (2024 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – Economic Development
14 Section 12–201(a)
15 Annotated Code of Maryland
16 (2024 Replacement Volume and 2025 Supplement)

17 BY adding to

18 Article – Economic Development
19 Section 12–201(e)
20 Annotated Code of Maryland
21 (2024 Replacement Volume and 2025 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – Economic Development
24 Section 12–201(i)
25 Annotated Code of Maryland
26 (2024 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(As enacted by Section 1 of this Act)

2 BY repealing and reenacting, with amendments,
3 Article – Economic Development
4 Section 12-202 and 12-203(a)(1)
5 Annotated Code of Maryland
6 (2024 Replacement Volume and 2025 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That Section(s) 12–201(e) through (u) of Article – Economic Development of the Annotated
9 Code of Maryland be renumbered to be Section(s) 12–201(f) through (v), respectively.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
11 as follows:

Article – Economic Development

13 12-201.

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

15 (E) "BLIGHTED AREA" MEANS AN AREA IN WHICH A MAJORITY OF
16 BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE,
17 DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THAT THEY NO LONGER JUSTIFY
18 FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

19 (i) (1) “Development district” means a contiguous **OR NONCONTIGUOUS** area
20 designated by a resolution.

(2) "Development district" includes an extraordinary development district.

22 12-202.

(a) (1) This subtitle is self-executing.

(2) A political subdivision need not amend its charter to exercise the powers granted by this subtitle.

26 (b) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
27 SUBSECTION, THIS subtitle does not apply in Baltimore City.

30 12-203

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

2 (1) by resolution:

3 (i) designate a contiguous area within its jurisdiction as a
4 development district;

5 (ii) **DESIGNATE A NONCONTIGUOUS BLIGHTED AREA WITHIN**
6 **ITS JURISDICTION AS A DEVELOPMENT DISTRICT;**

7 (III) identify an area that has been designated a sustainable
8 community; or

9 [(iii)] (IV) identify an area that has been designated a RISE zone;

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2026.