12–210. SPECIAL FUND — PLEDGE OF OTHER TAX REVENUE.

(A) IN GENERAL.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNING BODY OF A POLITICAL SUBDIVISION THAT IS NOT THE ISSUER MAY PLEDGE UNDER AN AGREEMENT THAT ITS PROPERTY TAXES LEVIED ON THE TAX INCREMENT SHALL BE PAID INTO THE SPECIAL FUND FOR THE DEVELOPMENT DISTRICT.

(2) THE AGREEMENT SHALL:

(I) BE IN WRITING;

(II) BE EXECUTED BY THE GOVERNING BODIES OF THE ISSUER AND THE POLITICAL SUBDIVISION MAKING THE PLEDGE; AND

(III) RUN TO THE BENEFIT OF AND BE ENFORCEABLE ON BEHALF OF ANY BONDHOLDER.

(B) PRINCE GEORGE'S COUNTY.

THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY ALSO PLEDGE HOTEL RENTAL TAX REVENUES TO THE SPECIAL FUND.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 41, § 14–209.

In subsection (a)(1) of this section, the reference to "the governing body of" a political subdivision is added for clarity and consistency throughout this subtitle. Correspondingly, in subsection (b) of this section, the reference to "[t]he governing body of" Prince George's County is added.

In subsection (a)(2)(ii) of this section, the reference to a written agreement being "executed" between the governing bodies of a political subdivision and an issuer is added for clarity.

The Economic Development Article Review Committee notes, for the consideration of the General Assembly, that it is unclear whether the discretion afforded to the nonissuing political subdivision under subsection (a) of this section affects the general requirement to pay proceeds of the tax increment into the special fund for the development district under § 12–203 of this subtitle. The General Assembly may wish to add clarifying language to this section.

Defined terms: "Development district" § 12–201
"Political subdivision" § 12–201
"Tax increment" § 12–201

12–211. TAX STATUS.

(A) BONDS.