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ORDINANCE: To amend Chapter 22, "Taxation," Article V, "Special Taxing Districts," of the Rockville City Code so as to add a new Division 3, entitled "Street and Area Lighting Districts" to provide generally for the creation of street and area lighting districts, to further establish the Town Square Street and Area Lighting District, and to further provide for the purposes, boundaries, and levy of taxes within the Town Square Street and Area Lighting District

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that Chapter 22 of the Rockville City Code, entitled "Taxation," Article V, entitled "Special Taxing Districts" be amended to add a new Division 3 entitled "Management Districts" to read as follows:

CHAPTER 22. TAXATION

ARTICLE I. ADMINISTRATION AND COLLECTION OF TAXES AND ASSESSMENTS; CERTIFICATION OF PAYMENT OF TAXES - IN GENERAL

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ARTICLE II. NEW AND EXPANDED PROPERTY TAX CREDITS FOR BUSINESSES

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ARTICLE III. LOCAL SUPPLEMENT TO THE HOMEOWNERS' PROPERTY TAX CREDIT

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ARTICLE IV. PROPERTY TAX CREDIT TO ELIGIBLE HOMEOWNERS TO
OFFSET INCREASES IN INCOME TAX REVENUES

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ARTICLE V. SPECIAL TAXING DISTRICTS

DIVISION 1. IN GENERAL

Sec. 22-30. Authority and purpose.

Pursuant to Article 23A, section 44 of the Annotated Code of Maryland, the City may create and establish special taxing districts for the purpose of:

(1) financing the design, construction, establishment, extension, alteration or acquisition of adequate storm drainage systems;

(2) financing the design, acquisition, establishment, improvement, extension, operation or alteration of public parking facilities or pedestrian malls;

(3) financing the design, acquisition, erection, construction, improvement and maintenance of street and area lighting;

(4) financing the capital and operating costs to enhance police, fire protection, and rescue services;

[[4)] (5) financing [the establishment, maintenance, and operation of a commercial management district] the promotion, marketing, and the provision of security, maintenance, or other amenities. [pursuant to Article 23A, section 2(b)(35) of the Annotated Code of Maryland].

(6) Financing any other system, facility, improvement, service, amenity, or structure as may be authorized by law.

Sec. 22-31. Administration.

The City Manager is responsible for the administration and management of the special taxing districts established in this article and for the facilities, programs, and activities operated and maintained as part of the districts. The City Manager may take all actions necessary in furtherance of said responsibility including, but not limited to

(1) establishing policies and procedures

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(2) delegating responsibility to appropriate City departments, offices, and staff

(3) entering into agreements with other governmental entities or other persons or entities for the operation and/or maintenance of one or more aspects of the special taxing district.

Sec. 22-32. Budget, appropriation, and tax levy.

(a) The Council shall adopt annual budgets for each special taxing district which shall include all costs reasonably attributed to the district, including but not limited to the costs of paying principal and interest on obligations incurred for the district as the principal and interest become due; the cost of designing, constructing, acquiring, establishing, extending, altering, operating and maintaining district facilities and activities; and the cost of administrative, professional [or] and support services provided by, or on behalf of, the City.

(b) Funds for the special taxing districts shall be budgeted and appropriated in the same manner as for the City generally, and may be done concurrently with the City's budget and appropriation process.

(c) An *ad valorem* tax shall be levied annually on designated real and/or personal property in each special taxing district at a rate sufficient to provide adequate revenues to pay for the budgeted costs of the district. The tax shall be levied in the same manner, upon the same assessments, and for the same periods, and shall be collected and enforced as other City taxes.

Sec. 22-33. Special Taxing District Account or Fund.

The *ad valorem* taxes levied and collected with respect to properties located in a special taxing district shall be deposited in a special account established for the special taxing district. A separate account or fund shall be established for each special taxing district.

Sec. 22-34 - 22-39. Reserved.

DIVISION 2. PARKING DISTRICTS.

Section 22-40. Town Square Parking District

(a) District created. There is hereby created a special taxing district to be known as the Town Square Parking District.

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(b) Boundaries. The Town Square Parking District consists of all land encompassed within the area bounded by Beall Avenue to the north, Hungerford Drive to the east, Middle Lane to the south, and North Washington Street to the west, as those roads are currently aligned or may be aligned in the future, except for all that land identified as ownership lots 16A and 16B, Parcel N 127, Block B, City Center.

(c) Purpose. The Town Square Parking District is established for the purpose of providing off-street parking facilities for the general public through the acquisition of land and improvement thereof with surface and/or structured off-street parking facilities, and the continued operation and maintenance of such facilities.

(d) Other purposes not precluded. Notwithstanding any other provision of this chapter, the City may

(1) utilize any property acquired, improved, or maintained with district funds for purposes other than off-street parking, provided that such purposes do not permanently reduce the available off-street parking. Such purposes may include, but are not limited to, temporary use of the facilities for City sponsored events, and the use of surfaces of the structure for the permanent display of art, signage, and/or lighting.

(2) sell, lease or otherwise dispose of property or portions of property acquired, improved, or maintained with district funds for purposes other than off-street parking, including mineral rights, air rights, and easements, provided that the available off-street parking is not permanently reduced. If the sale, lease, or other disposal of property results in the permanent reduction of available parking, the costs attributable to that area no longer available for parking shall be deleted from the budget of the parking district.

(e) Parking fees. Nothing herein shall preclude the City from charging a fee for the use of the off-street parking facilities by the public, including but not limited to establishing monthly, daily, and hourly parking charges.

(f) Taxes to be levied. The City is hereby authorized, beginning with the fiscal year 2006, to levy and cause to be collected annual special taxes in the nature of *ad valorem* taxes against all non-exempt real property within the Town Square Parking District.

(g) Same; exempt property. All property used for residential purposes within the Town Square Parking District is exempt from the special taxes levied pursuant to this article. For a mixed-use property, only that portion of the property used for residential purposes is exempt from special taxes. For purposes of this section, property used for residential purposes includes parking facilities and other amenities dedicated exclusively to serving a residential use.

Sec. 22-41-22-49. Reserved

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DIVISION 3. STREET AND AREA LIGHTING DISTRICTS

Sec. 22-50. Town Square Street and Area Lighting District.

(a) Town Square Street and Area Lighting District Created. There is hereby created a special taxing district to be known as the Town Center Street and Area Lighting District. The Town Center Street and Area Lighting District is a mixed use district including, but not limited to, significant commercial and residential uses.

(b) Boundaries. The Town Square Street and Area Lighting District consists of all land encompassed within the area bounded by Beall Avenue to the north, Hungerford Drive to the east, Middle Lane to the south, and North Washington Street to the west, as those roads are currently aligned or may be aligned in the future, except for all that land identified as ownership lots 16A and 16B, Parcel N 127, Block B, City Center.

(c) Purpose. The Town Square Street and Area Lighting District is established for the purpose of financing the design, acquisition, erection, construction, improvement and maintenance of street and area lighting.

(d) Taxes to be levied. The City is hereby authorized, beginning with the fiscal year 2008, to levy and cause to be collected annual special taxes in the nature of *ad valorem* taxes against all non-exempt real property within the Town Square Street and Area Lighting District.

Sec. 22-51-22-59. Reserved

NOTE: [Brackets] indicate material deleted.
Underlining indicates material added
Asterisks * * * indicate material unchanged by this ordinance.

I hereby certify that the foregoing is a true and correct copy
of an ordinance adopted by the Mayor and Council at its
meeting of

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Claire F. Funkhouser, CMC, City Clerk