

MC 8-22: Making Montgomery County Business Improvement Districts more Democratic

What is a BID?

A Business Improvement District (BID) is a self-taxing district designed to enhance the economic vitality of a specific commercial area. The tax is a surcharge to the real property tax liability. The tax is collected by the County and all revenues are returned entirely to the nonprofit organization managing the BID.

What is the Current Law?

Maryland law authorizes local governments to accept the applications to form BIDs and to establish more specific guidance and ordinances on the uses and governance of BIDs. Maryland law currently has a separate local section relating to Montgomery County BIDs.

Current law establishes only property owners as members and, as such, allows property owners to select Board members. Current law also establishes a maximum number of Board members at 9 people, thus limiting the opportunity to put a range of stakeholders on the Board.

MC 8-22 Improves the Current BID process by:

- 1) Expanding the size of the Board to allow for a wider range of stakeholders to participate in decision-making.
- 2) Creates a membership class for commercial tenants as well as property owners.
- 3) Establishes board election processes so that commercial tenants elect their representatives to the board and property owners elect their representatives to the board.
- 4) Ensures that commercial tenants participate in the decision to establish a BID.
- 5) Adds notice requirements.
- 6) Establishes 65% as the threshold of property owners and commercial tenants who need to sign on in order to establish a BID.

If you have any questions, please contact the bill sponsors:

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