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**By: Calvert County Delegation**

Introduced and read first time: February 6, 1996

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Calvert County - Public Facilities Bonds - Public School Construction**

3 FOR the purpose of authorizing and empowering the County Commissioners of Calvert  
4 County, from time to time, to borrow not more than \$4,700,000 in order to finance  
5 the costs of construction, improvement, or development of certain public facilities in  
6 Calvert County, as herein defined, and to effect such borrowing by the issuance and  
7 sale at public or private sale of its general obligation bonds in like par amount;  
8 empowering the County to fix and determine, by resolution, the form, tenor, interest  
9 rate or rates or method of determining the same, terms, conditions, maturities, and  
10 all other details incident to the issuance and sale of the bonds; empowering the  
11 County to issue refunding bonds for the purchase or redemption of bonds in  
12 advance of maturity; empowering and directing the County to levy, impose, and  
13 collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for  
14 the payment of the maturing principal of and interest on the bonds; exempting the  
15 bonds and refunding bonds and the interest thereon and any income derived  
16 therefrom, from all State, county, municipal, and other taxation in the State of  
17 Maryland; providing that nothing in this Act shall prevent the County from  
18 authorizing the issuance and sale of bonds the interest on which is not excludable  
19 from gross income for federal income tax purposes; and relating generally to the  
20 issuance and sale of such bonds.

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That, as used herein, the term "County" means the body politic and  
23 corporate of the State of Maryland known as the County Commissioners of Calvert  
24 County, and the term "construction, improvement, or development of public facilities"  
25 means the acquisition, alteration, construction, reconstruction, enlargement, equipping,  
26 expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of  
27 public buildings and facilities, including, but not limited to, the following, together with  
28 related architectural, financial, legal, planning or engineering services, of a new middle  
29 school in Calvert County, to be named Windy Hill Middle School.

30 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
31 authorized to finance any part or all of the costs of the facilities described in Section 1 of  
32 this Act, and to borrow money and incur indebtedness for that purpose, at one time or  
33 from time to time, in an amount not exceeding, in the aggregate, \$4,700,000 and to  
34 evidence such borrowing by the issuance and sale upon its full faith and credit of general

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1 obligation bonds in like par amount, which may be issued at one time or from time to  
2 time, in one or more groups or series, as the County may determine.

3           SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued  
4 in accordance with a resolution of the County, which shall describe generally the  
5 construction, improvement, or development of public facilities for which the proceeds of  
6 the bond sale are intended and the amount needed for those purposes. The County shall  
7 have and is hereby granted full and complete authority and discretion in the resolution to  
8 fix and determine with respect to the bonds of any issue: the designation, date of issue,  
9 denomination or denominations, form or forms, and tenor of the bonds; the rate or rates  
10 of interest payable thereon, or the method of determining the same, which may include a  
11 variable rate; the date or dates and amount or amounts of maturity, which need not be in  
12 equal par amounts or in consecutive annual installments, provided only that no bond of  
13 any issue shall mature later than 30 years from the date of its issue; the manner of selling  
14 the bonds, which may be at either public or private sale, for such price or prices as may be  
15 determined to be for the best interests of Calvert County; the manner of executing and  
16 sealing the bonds, which may be by facsimile; the terms and conditions, if any, under  
17 which bonds may be tendered for payment or purchase prior to their stated maturity; the  
18 terms or conditions, if any, under which bonds may or shall be redeemed prior to their  
19 stated maturity; the place or places of payment of the principal of and the interest on the  
20 bonds, which may be at any bank or trust company within or without the State of  
21 Maryland; covenants relating to compliance with applicable requirements of federal  
22 income tax law, including (without limitation) covenants regarding the payment of rebate  
23 or penalties in lieu of rebate; and generally all matters incident to the terms, conditions,  
24 issuance, sale, and delivery thereof.

25           The bonds may be made redeemable before maturity, at the option of the County, at  
26 such price or prices and under such terms and conditions as may be fixed by the County  
27 prior to the issuance of the bonds, either in the resolution or in subsequent resolutions.  
28 The bonds may be issued in coupon or in registered form or both, and provision may be  
29 made for the registration of the principal only, or of both principal and interest, of bonds  
30 having coupons attached, and for the reconversion of bonds into coupon form if any bond  
31 has been registered as to both principal and interest. In case any officer whose signature  
32 appears on any bond or on any coupon attached thereto ceases to be such officer before  
33 the delivery thereof, such signature shall nevertheless be valid and sufficient for all  
34 purposes as if he had remained in office until such delivery. The bonds and the issuance  
35 and sale thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article  
36 31 of the Annotated Code of Maryland.

37           The County may enter into agreements with agents, banks, fiduciaries, insurers, or  
38 others for the purpose of enhancing the marketability of any security for the bonds and  
39 for the purpose of securing any tender option that may be granted to holders of the  
40 bonds, all as may be determined and presented in the aforesaid resolution, which may  
41 (but need not) state as security for the performance by the County of any monetary  
42 obligations under such agreements the same security given by the County to bondholders  
43 for the performance by the County of its monetary obligations under the bonds.

44           If the County determines in the resolution to offer any of the bonds by solicitation  
45 of competitive bids at public sale, the resolution shall fix the terms and conditions of the  
46 public sale and shall adopt a form of notice of sale, which shall outline the terms and

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1 conditions, and a form of advertisement, which shall be published in one or more daily or  
2 weekly newspapers having a general circulation in the County and which may also be  
3 published in one or more journals having a circulation primarily among banks and  
4 investment bankers. At least one publication of the advertisement shall be made not less  
5 than 10 days before the sale of the bonds.

6           Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall  
7 be made to the Treasurer of Calvert County or such other official of the County as may be  
8 designated to receive such payment in a resolution passed by the County Commissioners  
9 of Calvert County before such delivery.

10           SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the  
11 sale of bonds shall be used and applied exclusively and solely for the acquisition,  
12 construction, improvement, or development of public facilities for which the bonds are  
13 sold. If the amounts borrowed shall prove inadequate to finance the projects described in  
14 the resolution, the County may issue additional bonds with the limitations hereof for the  
15 purpose of evidencing the borrowing of additional funds for such financing, provided the  
16 resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds  
17 of the sale of any issue of bonds exceeds the amount needed to finance the projects  
18 described in the resolution, the excess funds so borrowed and not expended shall be  
19 applied to the payment of the next principal maturity of the bonds or to the redemption  
20 of any part of the bonds which have been made redeemable or to the purchase and  
21 cancellation of bonds, unless the County shall adopt a resolution allocating the excess  
22 funds to the acquisition, construction, improvement, or development of other public  
23 facilities, as defined and within the limits set forth in this Act.

24           SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby  
25 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith  
26 and credit and unlimited taxing power of the County to the payment of the maturing  
27 principal of and interest on the bonds as and when they become payable. In each and  
28 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to  
29 be levied ad valorem taxes upon all the assessable property within the corporate limits of  
30 the County in rate and amount sufficient to provide for or assure the payment, when due,  
31 of the principal of and interest on all the bonds maturing in each such fiscal year and, in  
32 the event the proceeds from the taxes so levied in any such fiscal year shall prove  
33 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year  
34 to make up any such deficiency. The County may apply to the payment of the principal of  
35 and interest on any bonds issued hereunder any funds received by it from the State of  
36 Maryland, the United States of America, any agency or instrumentality thereof, or from  
37 any other source, if such funds are granted for the purpose of assisting the County in  
38 financing the acquisition, construction, improvement, or development of the public  
39 facilities defined in this Act and, to the extent of any such funds received or receivable in  
40 any fiscal year, the taxes that are required to be levied may be reduced accordingly.

41           SECTION 6. AND BE IT FURTHER ENACTED, That the County is further  
42 authorized and empowered, at any time and from time to time, to issue its bonds in the  
43 manner hereinabove described for the purpose of refunding, by payment at maturity or  
44 upon purchase or redemption, any bonds issued hereunder. The validity of any such  
45 refunding bonds shall in no way be dependent upon or related to the validity or invalidity  
46 of the obligations so refunded. The powers herein granted with respect to the issuance of

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1 bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may  
2 be issued by the County for the purpose of providing it with funds to pay any of its  
3 outstanding bonds issued hereunder at maturity, for the purpose of providing it with  
4 funds to purchase in the open market any of its outstanding bonds issued hereunder, prior  
5 to the maturity thereof, or for the purpose of providing it with funds for the redemption  
6 prior to maturity of any outstanding bonds issued hereunder which are, by their terms,  
7 redeemable, for the purpose of providing it with funds to pay interest on any outstanding  
8 bonds issued hereunder prior to their payment at maturity of purchase or redemption in  
9 advance of maturity, or for the purpose of providing it with funds to pay any redemption  
10 or purchase premium in connection with the refunding of any of its outstanding bonds  
11 issued hereunder. The proceeds of the sale of any such refunding bonds shall be  
12 segregated and set apart by the County as a separate trust fund to be used solely for the  
13 purpose of paying the purchase or redemption prices of the bonds to be refunded.

14         SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to  
15 the preparation of definitive bonds, issue interim certificates or temporary bonds, with or  
16 without coupons, exchangeable for definitive bonds when such bonds have been executed  
17 and are available for such delivery, provided, however, that any such interim certificates  
18 or temporary bonds shall be issued in all respects subject to the restrictions and  
19 requirements set forth in this Act. The County may, by appropriate resolution, provide for  
20 the replacement of any bonds issued hereunder which shall have become mutilated or lost  
21 or destroyed upon such conditions and after receiving such indemnity as the County may  
22 require.

23         SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations  
24 issued pursuant to the authority of this Act, their transfer, the interest payable thereon,  
25 and any income derived therefrom in the hands of the holders thereof from time to time  
26 (including any profit made in the sale thereof) shall be and are hereby declared to be at  
27 all times exempt from State, county, municipal, or other taxation of every kind and nature  
28 whatsoever within the State of Maryland.

29         Nothing in this Act shall prevent the County from authorizing the issuance and sale  
30 of bonds the interest on which is not excludable from gross income for federal income tax  
31 purposes.

32         SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow  
33 money and issue bonds conferred on the County by this Act shall be deemed to provide  
34 an additional and alternative authority for borrowing money and shall be regarded as  
35 supplemental and additional to powers conferred upon the County by other laws and shall  
36 not be regarded as in derogation of any power now existing; and all Acts of the General  
37 Assembly of Maryland heretofore passed authorizing the County to borrow money are  
38 hereby continued to the extent that the powers contained in such Acts have not been  
39 exercised, and nothing contained in this Act may be construed to impair, in any way, the  
40 validity of any bonds that may have been issued by the County under the authority of any  
41 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This  
42 Act, being necessary for the welfare of the inhabitants of Calvert County, shall be liberally  
43 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the  
44 provisions of this Act are hereby repealed to the extent of such inconsistency.

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1           SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 1996.