

SENATE BILL 738

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B3

2000 Regular Session
(01r2613)

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **Senators Haines and Ferguson (Carroll County Senators)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER 558

1 AN ACT concerning

2 **~~Carroll County~~ ~~Public Facilities Bonds~~**
3 **Local Government - Debt Authorization**

4 FOR the purpose of authorizing and empowering the County Commissioners of
5 Carroll County, from time to time, to borrow not more than \$33,740,000 in order
6 to finance the acquisition, construction, improvement, or development of certain
7 public facilities in Carroll County, as herein defined, and to evidence such
8 borrowing by the issuance and sale at public or private sale of its general
9 obligation bonds in like par amount empowering ~~the County~~ Carroll County to
10 fix and determine, by resolution, the form, tenor, interest rate or rates or
11 method of determining the same, terms, conditions, maturities, and all other
12 details incident to the issuance and sale of the bonds; empowering ~~the County~~
13 Carroll County to issue refunding bonds for the purchase or redemption of bonds
14 in advance of maturity; providing that such borrowing may be undertaken by
15 ~~the County~~ Carroll County in the form of installment purchase obligations
16 executed and delivered by ~~the County~~ Carroll County for the purpose of
17 acquiring agricultural land and woodland preservation easements; empowering

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

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
31 MARYLAND, That, as used ~~herein~~ in this section and Sections 2, 3, 4, 5, 6, 7, 8, and
32 9 of this Act, the term "County" means the body politic and corporate of the State of
33 Maryland known as the County Commissioners of Carroll County, and the term
34 "acquisition, construction, improvement, or development of public facilities" means
35 the acquisition, alteration, construction, reconstruction, enlargement, equipping,
36 expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair
37 of public buildings and facilities and public works projects, including, but not limited
38 to, public works projects such as roads, bridges and storm drains, public school
39 buildings and facilities, landfills, Carroll Community College buildings and facilities,
40 public operational buildings and facilities such as buildings and facilities for County
41 administrative use, public safety, health and social services, libraries, refuse disposal
42 buildings and facilities, easements or similar or related rights in land that restrict the
43 use of agricultural land or woodland to maintain the character of the land as
44 agricultural land or woodland, and parks and recreation buildings and facilities,
45 together with the costs of acquiring land or interests in land as well as any related
46 architectural, financial, legal, planning, or engineering services.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
2 authorized to finance any part or all of the costs of the acquisition, construction,
3 improvement, or development of the public facilities described in Section 1 of this Act,
4 and to borrow money and incur indebtedness for those purposes, at one time or from
5 time to time, in an amount not exceeding, in the aggregate, \$33,740,000 and to
6 evidence such borrowing by the issuance and sale upon its full faith and credit of
7 general obligation bonds in like par amount, which may be issued at one time or from
8 time to time, in one or more groups or series, as the County may determine.

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

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

45 The borrowing authorized by this Act may also be undertaken by the County in
46 the form of installment purchase obligations executed and delivered by the County for

1 the purpose of acquiring easements or similar or related rights in land that restrict
2 the use of agricultural land or woodland to maintain the character of the land as
3 agricultural land or woodland. The form of installment purchase obligations, the
4 manner of accomplishing the acquisition of easements, which may be by the direct
5 exchange of installment purchase obligations for easement, and all matters incident
6 to the execution and delivery of the installment purchase obligations and acquisition
7 of the easements by the County shall be determined in the resolution. Except where
8 the provisions of this Act would be inapplicable to installment purchase obligations,
9 the term "bonds" used in this Act shall include installment purchase obligations and
10 matters pertaining to the bonds under this Act, such as the security for the payment
11 of the bonds, the exemption of the bonds from State, county, municipal or other
12 taxation, and authorization to issue refunding bonds and the limitation on the
13 aggregate principal amount of bonds authorized for issuance, shall be applicable to
14 installment purchase obligations.

15 The County may enter into agreements with agents, banks, fiduciaries,
16 insurers, or others for the purpose of enhancing the marketability of any security for
17 the bonds and for the purpose of securing any tender option that may be granted to
18 holders of the bonds, all as may be determined and presented in the aforesaid
19 resolution, which may (but need not) state as security for the performance by the
20 County of any monetary obligations under such agreements the same security given
21 by the County to bondholders for the performance by the County of its monetary
22 obligations under the bonds.

23 If the County determines in the resolution to offer any of the bonds by
24 solicitation of competitive bids at public sale, the resolution shall fix the terms and
25 conditions of the public sale and shall adopt a form of notice of sale, which shall
26 outline the terms and conditions, and a form of advertisement, which shall be
27 published in one or more daily or weekly newspapers having a general circulation in
28 the County and which may also be published in one or more journals having a
29 circulation primarily among banks and investment bankers. At least one publication
30 of the advertisement shall be made not less than 10 days before the sale of the bonds.

31 Upon delivery of any bonds to the purchaser or purchasers, payment therefore,
32 where applicable, shall be made to the Treasurer of Carroll County or such other
33 official of Carroll County as may be designated to receive such payment in a
34 resolution passed by the County before such delivery.

35 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
36 sale of bonds, where applicable, shall be used and applied exclusively and solely for
37 the acquisition, construction, improvement, or development of public facilities for
38 which the bonds are sold. If the amounts borrowed shall prove inadequate to finance
39 the projects described in the resolution, the County may issue additional bonds with
40 the limitations hereof for the purpose of evidencing the borrowing of additional funds
41 for such financing, provided the resolution authorizing the sale of additional bonds
42 shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the
43 amount needed to finance the projects described in the resolution, the excess funds so
44 borrowed and not expended shall be applied to the payment of the next principal
45 maturity of the bonds or to the redemption of any part of the bonds which have been

1 made redeemable or to the purchase and cancellation of bonds, unless the County
2 shall adopt a resolution allocating the excess funds to the acquisition, construction,
3 improvement, or development of other public facilities as defined and within the
4 limits set forth in this Act.

5 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
6 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
7 faith and credit and unlimited taxing power of the County to the payment of the
8 maturing principal of and interest on the bonds as and when they become payable. In
9 each and every fiscal year that any of the bonds are outstanding, the County shall
10 levy or cause to be levied ad valorem taxes upon all the assessable property within the
11 corporate limits of the County in rate and amount sufficient to provide for or assure
12 the payment, when due, of the principal of and interest on all the bonds maturing in
13 each such fiscal year and, in the event the proceeds from the taxes so levied in any
14 such fiscal year shall prove inadequate for such payment, additional taxes shall be
15 levied in the succeeding fiscal year to make up any such deficiency. The County may
16 apply to the payment of the principal of and interest on any bonds issued hereunder
17 any funds received by it from the State of Maryland, the United States of America,
18 any agency or instrumentality thereof, or from any other source, if such funds are
19 granted for the purpose of assisting the County in financing the acquisition,
20 construction, improvement, or development of the public facilities defined in this Act
21 and, to the extent of any such funds received or receivable in any fiscal year, the taxes
22 that are required to be levied may be reduced accordingly.

23 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further
24 authorized and empowered, at any time and from time to time, to issue its bonds in
25 the manner herein above described for the purpose of refunding, by payment at
26 maturity or upon purchase or redemption, any bonds issued hereunder. The validity
27 of any such refunding bonds shall in no way be dependent upon or related to the
28 validity or invalidity of the obligations so refunded. The powers herein granted with
29 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
30 Such refunding bonds may be issued by the County for the purpose of providing it
31 with funds to pay any of its outstanding bonds issued hereunder at maturity, for the
32 purpose of providing it with funds to purchase in the open market any of its
33 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose
34 of providing it with funds for the redemption prior to maturity of any outstanding
35 bonds issued hereunder which are, by their terms, redeemable, for the purpose of
36 providing it with funds to pay interest on any outstanding bonds issued hereunder
37 prior to their payment at maturity of purchase or redemption in advance of maturity,
38 or for the purpose of providing it with funds to pay any redemption or purchase
39 premium in connection with the refunding of any of its outstanding bonds issued
40 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated
41 and set apart by the County as a separate trust fund to be used solely for the purpose
42 of paying the purchase or redemption prices of the bonds to be refunded.

43 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
44 the preparation of definitive bonds, issue interim certificates or temporary bonds,
45 with or without coupons, exchangeable for definitive bonds when such bonds have
46 been executed and are available for such delivery, provided, however, that any such

1 interim certificates or temporary bonds shall be issued in all respects subject to the
2 restrictions and requirements set forth in this Act. The County may, by appropriate
3 resolution, provide for the replacement of any bonds issued hereunder which shall
4 have become mutilated or lost or destroyed upon such conditions and after receiving
5 such indemnity as the County may require.

6 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
7 issued pursuant to the authority of this Act, their transfer, the interest payable
8 thereon, and any income derived therefrom in the hands of the holders thereof from
9 time to time (including any profit in the sale thereof) shall be and are hereby declared
10 to be at all times exempt from State, county, municipal, or other taxation of every
11 kind and nature whatsoever within the State of Maryland. Nothing in this Act shall
12 prevent the County from authorizing the issuance and sale of bonds the interest on
13 which is not excludable from gross income for federal income tax purposes.

14 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
15 money and issue bonds conferred on the County by this Act shall be deemed to provide
16 an additional and alternative authority for borrowing money and shall be regarded as
17 supplemental and additional to powers conferred upon the County by other laws and
18 shall not be regarded as in derogation of any power now existing; and all Acts of the
19 General Assembly of Maryland heretofore passed authorizing the County to borrow
20 money are hereby continued to the extent that the powers contained in such Acts have
21 not been exercised, and nothing contained in this Act may be construed to impair, in
22 any way, the validity of any bonds that may have been issued by the County under the
23 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed,
24 and approved. This Act, being necessary for the welfare of the inhabitants of Carroll
25 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
26 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
27 such inconsistency.

28 SECTION 10. AND BE IT FURTHER ENACTED, That , as used in this section
29 and Sections 11, 12, 13, 14, 15, 16, 17, and 18 of this Act, the term "County" means the
30 body politic and corporate of the State of Maryland known as the County
31 Commissioners of Frederick County, and the term "construction of additions and
32 improvements of the Tourism Council of Frederick County, Inc." means the cost of
33 planning, acquisition, alteration, renovation, construction, reconstruction, demolition,
34 development, improvement, expansion, and modernization of buildings and facilities
35 for the use and benefit of the Tourism Council of Frederick County, Inc., including
36 architectural, engineering, financial, legal, and other professional services, plans,
37 specifications, studies, surveys, estimates of costs and of revenues, administrative
38 expenses necessary or incident of determining the feasibility or practicability of the
39 project and the development of the grounds and landscaping thereof, all customary
40 permanent appurtenances, furnishings and equipment appropriate to the full use
41 thereof, financing charges, interest prior to and during construction (and if deemed
42 necessary by the County for a limited period after completion of construction), reserves
43 for principal and interest and for extensions, enlargements, additions and
44 improvements, and such other expenses as may be necessary or incident to the
45 construction of additions and improvements of the Tourism Council of Frederick
46 County, Inc., and the financing or refinancing of such additions and improvements

1 including expenses of issuance of the bonds herein authorized. "Tourism Council of
2 Frederick County, Inc." means the private nonsectarian corporation that operates the
3 Frederick Tourism Council in Frederick County.

4 SECTION 11. AND BE IT FURTHER ENACTED, That the County is hereby
5 authorized, but is in no way obligated, to finance any part or all of the costs of the
6 facilities described in Section 1 of this Act, and to borrow money and incur
7 indebtedness for that purpose, at one time or from time to time, in an amount not
8 exceeding, in the aggregate, \$3,000,000 and to evidence such borrowing by the issuance
9 and sale upon its full faith and credit of general obligation bonds in like par amount,
10 which may be issued at one time or from time to time, in one or more groups or series,
11 as the County may determine.

12 SECTION 12. AND BE IT FURTHER ENACTED, That the bonds shall be
13 issued pursuant to a resolution of the County, which shall describe generally the
14 projects of the construction of additions to and improvements of the Tourism Council of
15 Frederick County, Inc. for which the proceeds of the bond sale are intended and the
16 amount needed for those purposes. The County shall have and is hereby granted full
17 and complete authority and discretion to determine whether or not to issue the bonds
18 hereby authorized and in the resolution to fix and determine with respect to the bonds
19 of any issue: the designation, date of issue, denomination or denominations, form or
20 forms, and tenor of the bonds; the rate or rates of interest payable thereon, or the
21 method of determining the same, which may include a variable rate; the date or dates
22 and amount or amounts of maturity, which need not be in equal par amounts or in
23 consecutive annual installments, provided only that no bond of any issue shall mature
24 later than 35 years from the date of its issue; the manner of selling the bonds, which
25 may be at either public or private sale, for such price or prices as may be determined to
26 be for the best interests of Frederick County; the manner of executing and sealing the
27 bonds, which may be by facsimile; the terms and conditions, if any, under which bonds
28 may be tendered for payment or purchase prior to their stated maturity; the terms or
29 conditions, if any, under which bonds may or shall be redeemed prior to their stated
30 maturity; the place or places of payment of the principal of and the interest on the
31 bonds, which may be at any bank or trust company within or without the State of
32 Maryland; covenants relating to compliance with applicable requirements of federal
33 income tax law, including covenants regarding the payment of rebate or penalties in
34 lieu of rebate; covenants relating to compliance with applicable requirements of federal
35 or state securities laws; and generally all matters incident to the terms, conditions,
36 issuance, sale, and delivery thereof.

37 The County may enter into agreements with agents, banks, fiduciaries, insurers,
38 or others for the purpose of enhancing the marketability of any security for the bonds
39 and for the purpose of securing any tender option that may be granted to holders of the
40 bonds.

41 In case any officer whose signature appears on any bond or on any coupon
42 attached thereto ceases to be such officer before the delivery thereof, such signature
43 shall nevertheless be valid and sufficient for all purposes as if he had remained in
44 office until such delivery. The bonds and the issuance and sale thereof shall be exempt

1 from the provisions of Sections 2C, 9, 10, and 11 of Article 31 of the Annotated Code of
2 Maryland.

3 If the County determines in the resolution to offer any of the bonds by solicitation
4 of competitive bids at public sale, the resolution shall fix the terms and conditions of
5 the public sale and shall adopt a form of notice of sale, which shall outline the terms
6 and conditions, and a form of advertisement, which shall be published in one or more
7 daily or weekly newspapers having a general circulation in the County and which may
8 also be published in one or more journals having a circulation primarily among banks
9 and investment bankers. Any public sale of the bonds shall be held no sooner than ten
10 days following the first publication of notice of sale.

11 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
12 shall be made to the Treasurer of Frederick County or such other official of Frederick
13 County as may be designated to receive such payment in a resolution passed by the
14 County Commissioner of Frederick County before delivery. For purposes of issuance
15 and sale, bonds authorized hereunder may be consolidated into a single issue with any
16 other bonds authorized to be issued by the County.

17 SECTION 13. AND BE IT FURTHER ENACTED, That the net proceeds of the
18 sale of bonds shall be used and applied exclusively and solely for the public facilities
19 for which the bonds are sold. If the net proceeds of the sale of any issue of bonds exceeds
20 the amount needed to finance the construction of buildings and improvements for the
21 Tourism Council of Frederick County, Inc., described in the resolution, the excess funds
22 so borrowed and not expended shall be applied to the payment of the next principal
23 maturity of the bonds or to the redemption of any part of the bonds which have been
24 made redeemable or to the purchase and cancellation of bonds, as the County may
25 determine to be in its best interest. The authority granted under this Act shall not be
26 exercised nor shall any of the proceeds of the sale of bonds be used or applied, in any
27 manner which would cause any bonds, refunding bonds, or temporary bonds issued
28 hereunder to be deemed "arbitrage bonds" within the meaning of Section 103 of the
29 Internal Revenue Code of 1986, as amended.

30 This Act authorizes and empowers, but in no way obligates, the County to issue
31 the bonds described herein. The County has full and complete authority and discretion
32 to determine whether or not to issue the bonds. It is the intent of this Act that the
33 County be vested with full discretion and authority to determine what portion, if any,
34 of the cost of any construction of buildings and improvements of the Tourism Council
35 of Frederick County, Inc., shall be paid from the proceeds of general obligation bonds
36 authorized pursuant to this Act and that the County may provide or require such
37 conditions for the loan of the proceeds of such bonds to the Tourism Council of
38 Frederick County, Inc., as the County deems necessary or appropriate. The County is
39 further expressly authorized to agree that construction of buildings and improvements
40 for the Tourism Council of Frederick County, Inc., may be financed in whole or in part
41 from the proceeds of: (i) general obligation bonds issued pursuant to this Act or any
42 other Act authorizing the issuance of general obligation bonds of the County for such
43 purpose, or (ii) revenue bonds issued pursuant to any authority authorizing the
44 issuance of revenue bonds to finance the improvements, or (iii) any combination of (i)
45 and (ii); in connection with such agreement (without in any way creating any

1 limitation on the discretion of the County) the County may further agree, in its
2 discretion, that any interest (actual or implied) of the County in the Tourism Council or
3 in any receipts or assets of the Tourism Council may be subordinated to the interests of
4 the holders of any revenue bonds issued to finance the Tourism Council improvements,
5 all as may be determined in the absolute discretion of the County.

6 The County may choose to take title to such buildings in its own name and to
7 lease the same to the Tourism Council of Frederick County, Inc. The County is further
8 authorized to issue bonds hereunder to pay its share of the costs of buildings and
9 improvements for the use and benefit of the Tourism Council of Frederick County, Inc.,
10 which may be owned by another governmental or nonprofit entity, including but not
11 limited to, the State of Maryland or the City of Frederick.

12 SECTION 14. AND BE IT FURTHER ENACTED, That the County may enter
13 into an agreement or agreements with the Tourism Council of Frederick County, Inc.,
14 pursuant to which that corporation shall be required to make periodic payments from
15 the Tourism Council's revenues or other assets to the County at such times and in such
16 amounts to assure the timely payment of the maturing principal of and interest on said
17 bonds and any expenses of the County in connection therewith. However, the bonds
18 hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the
19 full faith and credit and unlimited taxing power of the County to the payment of the
20 maturing principal of and interest on the bonds as and when they become payable. In
21 each and every fiscal year that any of the bonds are outstanding, the County shall levy
22 or cause to be levied ad valorem taxes upon all the assessable property within the
23 corporate limits of Frederick County in rate and amount sufficient to provide for or
24 assure the payment, when due, of the principal of and interest on all the bonds
25 maturing in each such fiscal year and, in the event the proceeds from the taxes so
26 levied in any such fiscal year shall prove inadequate for such payment, additional
27 taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The
28 County may apply to the payment of the principal of and interest on any bonds issued
29 hereunder any funds received by it from the State of Maryland, the United States of
30 America, any agency or instrumentality thereof, or the Tourism Council of Frederick
31 County, Inc., or from any other source. If such funds are granted for the purpose of
32 assisting the County in financing the construction of buildings and improvements of
33 the Tourism Council of Frederick County, Inc., defined in this Act and, to the extent of
34 any such funds received or receivable in any fiscal year, the taxes that might otherwise
35 be levied under this Act, may be reduced or need not be levied.

36 SECTION 15. AND BE IT FURTHER ENACTED, That the County is hereby
37 further authorized and empowered, at any time and from time to time, to issue its
38 bonds in the manner herein above described for the purpose of refunding, by payment
39 at maturity or upon purchase or redemption, any bonds issued hereunder. The validity
40 of any such refunding bonds shall in no way be dependent upon or related to the
41 validity or invalidity of the obligations so refunded. The powers herein granted with
42 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
43 Such refunding bonds may be issued by the County for the purpose of providing it with
44 funds to pay any of its outstanding bonds issued hereunder at maturity, for the
45 purpose of providing it with funds to purchase in the open market any of its
46 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of

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

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

19 SECTION 17. AND BE IT FURTHER ENACTED, That any and all obligations
20 issued pursuant to the authority of this Act, their transfer, the interest payable thereon,
21 and any income derived therefrom in the hands of the holders thereof from time to time
22 (including any profit made in the sale thereof) shall be and are hereby declared to be at
23 all times exempt from State, county, municipal, or other taxation of every kind and
24 nature whatsoever within the State of Maryland.

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

28 SECTION 18. AND BE IT FURTHER ENACTED, That the authority to borrow
29 money and issue bonds conferred on the County by this Act shall be deemed to provide
30 additional, alternative, and supplemental authority for borrowing money and shall be
31 regarded as supplemental and additional to powers conferred upon the County by
32 other laws and shall not be regarded as in derogation of any power now existing; and
33 all Acts of the General Assembly of Maryland heretofore passed authorizing the County
34 to borrow money are hereby continued to the extent that the powers contained in such
35 Acts have not been exercised, and nothing contained in this Act may be construed to
36 impair, in any way, the validity of any bonds that may have been issued by the County
37 under the authority of any said Acts, and the validity of the bonds is hereby ratified,
38 confirmed, and approved. This Act, being necessary for the welfare of the inhabitants
39 of Frederick County, shall be liberally construed to effect the purposes hereof. All Acts
40 and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the
41 extent of such inconsistency.

42 SECTION 19. AND BE IT FURTHER ENACTED, That this Act shall take effect
43 June 1, 2000.

