

SENATE BILL 805

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Q2

2001 Regular Session
(11r2665)

ENROLLED BILL

-- Budget and Taxation/Ways and Means and Appropriations --

Introduced by **Senators McFadden and Hoffman (Baltimore City Administration)**

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 626

1 AN ACT concerning

2 **Baltimore City - Special Tax Districts**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore to create a
4 certain special taxing ~~district~~ districts, levy ad valorem or special taxes, and
5 issue bonds or other obligations for certain infrastructure improvements;
6 defining certain terms; authorizing the Mayor and City Council of Baltimore to
7 borrow money by selling certain bonds to pay the cost of certain infrastructure
8 improvements under certain circumstances; requiring the Mayor and City
9 Council of Baltimore to designate certain areas as certain special taxing
10 districts prior to issuing bonds; requiring the Mayor and City Council of
11 Baltimore to provide for the levy of a certain ad valorem or special tax on certain
12 real and personal property; requiring the creation of a certain special ~~fund~~ funds
13 for the special taxing districts; providing for the termination of ~~the a~~ special
14 taxing district and the disbursement of the special fund ~~in~~ under certain
15 circumstances; requiring the Mayor and City Council of Baltimore to enact a
16 certain ordinance in order to implement the authority to issue certain bonds;

1 providing that the ordinance shall be subject to a certain referendum under
 2 certain circumstances; providing that, subject to a certain exception, certain
 3 actions are not subject to referendum; requiring certain notice and a certain
 4 public hearing prior to the Mayor and City Council of Baltimore enacting a
 5 certain ordinance; providing that certain bonds are exempt from certain State,
 6 county, and municipal corporation taxes; providing for the form, signature
 7 requirements, maturity, and manner of sale of certain bonds; providing that
 8 bonds issued under this Act are securities; authorizing the Mayor and City
 9 Council of Baltimore to levy special taxes on certain property in a special taxing
 10 district as an alternative to levying an ad valorem tax; requiring consent by a
 11 certain governing body for designation as a special taxing district; requiring that
 12 the bonds issued under this Act are a special obligation and not a general
 13 obligation debt of the Mayor and City Council of Baltimore; requiring a certain
 14 contract to sell real property within a certain special taxing district to disclose
 15 any special tax for which the buyer would be liable due to the special taxing
 16 district; providing for a certain lien which attaches to certain property within a
 17 certain special taxing district; requiring that when the Mayor and City Council
 18 of Baltimore ~~lease~~ leases property within a certain special taxing district, the
 19 property shall be assessed and taxed the same as privately owned property;
 20 ~~prohibiting competitive bidding for contracts for the purchase of certain~~
 21 ~~infrastructure improvements which are payable from the proceeds of certain~~
 22 ~~bonds;~~ authorizing the Mayor and City Council of Baltimore to refund certain
 23 bonds under certain circumstances; providing that the powers granted under
 24 this Act shall be supplemental and additional to powers conferred by other laws;
 25 and generally relating to authorizing the Mayor and City Council of Baltimore
 26 to create a certain special taxing ~~district~~ districts, levy ad valorem or special
 27 taxes, and issue bonds or other obligations for certain infrastructure
 28 improvements.

29 BY adding to
 30 The Charter of Baltimore City
 31 Article II - General Powers
 32 Section (62A)
 33 (1996 Edition, as amended)

34 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 35 MARYLAND, That the Laws of Maryland read as follows:

36 **The Charter of Baltimore City**

37 **Article II - General Powers**

38 The Mayor and City Council of Baltimore shall have full power and authority to
 39 exercise all of the powers heretofore or hereafter granted to it by the Constitution of
 40 Maryland or by any Public General or Public Local Laws of the State of Maryland;
 41 and in particular, without limitation upon the foregoing, shall have power by
 42 ordinance, or such other method as may be provided for in its Charter, subject to the
 43 provisions of said Constitution and Public General Laws:

1 (62A)

2 (A) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION AND FOR THE
3 PURPOSE STATED IN PARAGRAPH (2) OF THIS SUBSECTION, TO:

4 (I) CREATE A SPECIAL TAXING DISTRICT;

5 (II) LEVY AD VALOREM OR SPECIAL TAXES; AND

6 (III) ISSUE BONDS AND OTHER OBLIGATIONS.

7 (2) THE PURPOSE OF THE AUTHORITY GRANTED UNDER PARAGRAPH (1)
8 OF THIS SUBSECTION IS TO PROVIDE FINANCING, REFINANCING, OR
9 REIMBURSEMENT FOR THE COST OF THE DESIGN, CONSTRUCTION, ESTABLISHMENT,
10 EXTENSION, ALTERATION, OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS,
11 WHETHER SITUATED WITHIN THE SPECIAL TAXING DISTRICT OR OUTSIDE THE
12 SPECIAL TAXING DISTRICT IF THE INFRASTRUCTURE IMPROVEMENT IS REASONABLY
13 RELATED TO OTHER INFRASTRUCTURE IMPROVEMENTS WITHIN THE SPECIAL
14 TAXING DISTRICT.

15 (B) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED, UNLESS THE CONTEXT CLEARLY INDICATES ANOTHER OR DIFFERENT
17 MEANING OR INTENT:

18 (1) "BOND" MEANS A SPECIAL OBLIGATION BOND, REVENUE BOND,
19 NOTE, OR OTHER SIMILAR INSTRUMENT ISSUED BY THE MAYOR AND CITY COUNCIL
20 OF BALTIMORE IN ACCORDANCE WITH THIS SECTION.

21 (2) "COST" INCLUDES THE COST OF:

22 (I) CONSTRUCTION, RECONSTRUCTION, AND RENOVATION AND
23 PURCHASING, LEASING, CONDEMNING, OR OTHERWISE ACQUIRING ANY LANDS,
24 STRUCTURES, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY,
25 FRANCHISES, EASEMENTS, AND INTERESTS ACQUIRED OR TO BE ACQUIRED BY THE
26 MAYOR AND CITY COUNTY OF BALTIMORE;

27 (II) ALL MACHINERY AND EQUIPMENT INCLUDING MACHINERY
28 AND EQUIPMENT NEEDED TO EXPAND OR ENHANCE CITY SERVICES TO THE SPECIAL
29 TAXING DISTRICT;

30 (III) FINANCING CHARGES AND INTEREST PRIOR TO AND DURING
31 CONSTRUCTION, AND, IF DEEMED ADVISABLE BY THE MAYOR AND CITY COUNCIL OF
32 BALTIMORE, FOR A LIMITED PERIOD AFTER COMPLETION OF THE CONSTRUCTION,
33 INTEREST AND RESERVES FOR PRINCIPAL AND INTEREST, INCLUDING COSTS OF
34 MUNICIPAL BOND INSURANCE AND ANY OTHER TYPE OF FINANCIAL GUARANTY AND
35 COSTS OF ISSUANCE;

36 (IV) EXTENSIONS, ENLARGEMENTS, ADDITIONS, AND
37 IMPROVEMENTS;

1 (V) ARCHITECTURAL, ENGINEERING, FINANCIAL, AND LEGAL
2 SERVICES;

3 (VI) PLANS, SPECIFICATIONS, STUDIES, SURVEYS, AND ESTIMATES
4 OF COST AND OF REVENUES;

5 (VII) ADMINISTRATIVE EXPENSES NECESSARY OR INCIDENT TO
6 DETERMINING TO PROCEED WITH THE INFRASTRUCTURE IMPROVEMENTS;

7 (VIII) SITE REMOVAL;

8 (IX) RELOCATION OF BUSINESSES AND RESIDENTS; AND

9 (X) OTHER EXPENSES AS MAY BE NECESSARY OR INCIDENT TO THE
10 CONSTRUCTION, ACQUISITION, AND FINANCING OF THE INFRASTRUCTURE
11 IMPROVEMENTS.

12 (3) "INFRASTRUCTURE IMPROVEMENT" MEANS ADEQUATE STORM
13 DRAINAGE SYSTEMS, SEWERS, WATER SYSTEMS, ROADS, BRIDGES, CULVERTS,
14 TUNNELS, STREETS, SIDEWALKS, LIGHTING, SURFACE PARKING, PLAYGROUNDS,
15 PARKS AND RECREATION FACILITIES, LIBRARIES, SCHOOLS, TRANSIT FACILITIES,
16 SOLID WASTE FACILITIES, BUILDINGS DEVOTED TO A GOVERNMENTAL USE OR
17 PURPOSE, STRUCTURED PARKING FACILITIES THAT ARE PUBLICLY OWNED OR
18 PRIVATELY OWNED, BUT SERVE A PUBLIC PURPOSE, AND OTHER INFRASTRUCTURE
19 IMPROVEMENTS AS NECESSARY FOR THE DEVELOPMENT AND UTILIZATION OF THE
20 LAND, WITH RESPECT TO ANY DEFINED GEOGRAPHIC REGION WITHIN THE CITY OF
21 BALTIMORE.

22 (C) (1) IN ADDITION TO OTHER POWERS THE MAYOR AND CITY COUNCIL OF
23 BALTIMORE MAY HAVE, AND NOTWITHSTANDING THE PROVISIONS OF ANY OTHER
24 PUBLIC LAW, PUBLIC GENERAL LAW, OR THE BALTIMORE CITY CHARTER, THE MAYOR
25 AND CITY COUNCIL OF BALTIMORE MAY BORROW MONEY BY ISSUING AND SELLING
26 BONDS FOR THE PURPOSE STATED IN SUBSECTION (A)(2) OF THIS SECTION IF A
27 REQUEST TO THE MAYOR AND CITY COUNCIL OF BALTIMORE IS MADE BY BOTH:

28 (I) THE OWNERS OF AT LEAST TWO-THIRDS OF THE ASSESSED
29 VALUATION OF THE REAL PROPERTY LOCATED WITHIN THE SPECIAL TAXING
30 DISTRICT; AND

31 (II) AT LEAST TWO-THIRDS OF THE OWNERS OF THE REAL
32 PROPERTY LOCATED WITHIN THE SPECIAL TAXING DISTRICT, PROVIDED THAT:

33 1. MULTIPLE OWNERS OF A SINGLE PARCEL ARE TREATED
34 AS A SINGLE OWNER; AND

35 2. A SINGLE OWNER OF MULTIPLE PARCELS IS TREATED AS
36 ONE OWNER.

1 (2) THIS SECTION IS SELF-EXECUTING AND DOES NOT REQUIRE THE
2 MAYOR AND CITY COUNCIL OF BALTIMORE TO ENACT LEGISLATION TO EXERCISE
3 THE POWERS GRANTED UNDER THIS SECTION.

4 (D) (1) BONDS SHALL BE PAYABLE FROM THE SPECIAL FUND TO THE
5 EXTENT PROVIDED IN THE AUTHORIZING ORDINANCE, AS SET FORTH IN
6 SUBSECTION (E) OF THIS SECTION.

7 (2) ALL PROCEEDS RECEIVED FROM ANY BONDS ISSUED AND SOLD
8 SHALL BE APPLIED SOLELY TO PAY THE COST OF INFRASTRUCTURE IMPROVEMENTS,
9 INCLUDING:

10 (I) COSTS OF DESIGN, CONSTRUCTION, ESTABLISHMENT,
11 EXTENSION, ALTERATION, OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS;

12 (II) COSTS OF ISSUING BONDS;

13 (III) PAYMENT OF THE PRINCIPAL AND INTEREST ON LOANS,
14 MONEY ADVANCES, OR INDEBTEDNESS INCURRED BY THE MAYOR AND CITY
15 COUNCIL OF BALTIMORE FOR ANY OF THE PURPOSES STATED IN SUBSECTION (A)(2)
16 OF THIS SECTION, INCLUDING THE REFUNDING OF BONDS PREVIOUSLY ISSUED
17 UNDER THIS SECTION; AND

18 (IV) FUNDING OF A DEBT SERVICE RESERVE FUND OR PAYMENT OF
19 INTEREST PRIOR TO, DURING, OR FOR A LIMITED PERIOD OF TIME AFTER
20 CONSTRUCTION.

21 (E) (1) BEFORE ISSUING BONDS, THE MAYOR AND CITY COUNCIL OF
22 BALTIMORE SHALL BY ORDINANCE:

23 (I) DESIGNATE AN AREA OR AREAS AS A SPECIAL TAXING
24 DISTRICT;

25 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, CREATE A
26 SPECIAL FUND WITH RESPECT TO THE SPECIAL TAXING DISTRICT; AND

27 (III) PROVIDE FOR THE LEVY OF AN AD VALOREM OR SPECIAL TAX
28 ON ALL REAL AND PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AT
29 A RATE OR AMOUNT DESIGNED TO PROVIDE ADEQUATE REVENUES TO PAY THE
30 PRINCIPAL OF, INTEREST ON, AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS,
31 TO REPLENISH ANY DEBT SERVICE RESERVE FUND, AND FOR ANY OTHER PURPOSE
32 RELATED TO THE ONGOING EXPENSES OF OR SECURITY FOR THE BONDS. AD
33 VALOREM TAXES SHALL BE LEVIED IN THE SAME MANNER, UPON THE SAME
34 ASSESSMENTS, FOR THE SAME PERIOD OR PERIODS, AND AS OF THE SAME DATE OR
35 DATES OF FINALITY AS ARE NOW OR MAY HEREAFTER BE PRESCRIBED FOR
36 GENERAL AD VALOREM TAX PURPOSES WITHIN THE DISTRICT, AND SHALL BE
37 DISCONTINUED WHEN ALL OF THE BONDS HAVE BEEN PAID IN FULL. SPECIAL TAXES
38 SHALL BE LEVIED PURSUANT TO SUBSECTION (K) OF THIS SECTION.

1 (2) THE ORDINANCE CREATING A SPECIAL FUND UNDER PARAGRAPH
2 (1)(II) OF THIS SUBSECTION SHALL:

3 (I) PLEDGE TO THE SPECIAL FUND THE PROCEEDS OF THE AD
4 VALOREM OR SPECIAL TAX TO BE LEVIED AS PROVIDED UNDER PARAGRAPH (1)(III)
5 OF THIS SUBSECTION;

6 (II) REQUIRE THAT THE PROCEEDS FROM THE TAX BE PAID INTO
7 THE SPECIAL FUND;

8 (III) PROVIDE THAT ASSESSMENTS AND TAXES LEVIED WITHIN THE
9 SPECIAL TAXING DISTRICT MAY NOT BE ACCELERATED BY REASON OF BOND
10 DEFAULT; AND

11 (IV) PROVIDE THAT THE MAXIMUM SPECIAL ASSESSMENTS,
12 SPECIAL TAXES, OR OTHER FEES OR CHARGES APPLICABLE TO ANY INDIVIDUAL
13 PROPERTY MAY NOT BE INCREASED IN THE EVENT THAT OTHER PROPERTY OWNERS
14 BECOME DELINQUENT IN THE PAYMENT OF A SPECIAL ASSESSMENT, SPECIAL TAX,
15 OR OTHER FEE OR CHARGE SECURING SPECIAL OBLIGATION DEBT ISSUED UNDER
16 THIS SECTION.

17 (3) (I) IN LIEU OF THE PLEDGE SET FORTH IN PARAGRAPH (2)(I) OF
18 THIS SUBSECTION, THE AUTHORIZING ORDINANCE, SUBJECT TO SUBPARAGRAPH (II)
19 OF THIS PARAGRAPH, MAY PLEDGE OR ASSIGN:

20 1. ALL OR ANY PART OF THE REVENUES AND RECEIPTS
21 FROM THE SPECIAL TAXES TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE
22 BONDS; AND

23 2. THE SPECIAL FUND AND ANY OTHER FUND INTO WHICH
24 ALL OR ANY PART OF SUCH REVENUES AND RECEIPTS ARE DEPOSITED AFTER SUCH
25 REVENUES AND RECEIPTS ARE APPROPRIATED BY THE MAYOR AND CITY COUNCIL
26 OF BALTIMORE TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST.

27 (II) THE REVENUES AND RECEIPTS MAY NOT BE IRREVOCABLY
28 PLEDGED TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST AND THE
29 OBLIGATION TO PAY SUCH PRINCIPAL AND INTEREST FROM SUCH REVENUES AND
30 RECEIPTS SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE MAYOR AND CITY
31 COUNCIL OF BALTIMORE.

32 (F) WHEN NO BONDS AUTHORIZED BY THIS SECTION ARE OUTSTANDING
33 WITH RESPECT TO A SPECIAL TAXING DISTRICT:

34 (1) THE SPECIAL TAXING DISTRICT SHALL BE TERMINATED; AND

35 (2) ANY MONEYS REMAINING IN THE SPECIAL FUND ON THE DATE OF
36 TERMINATION OF THE SPECIAL TAXING DISTRICT SHALL BE PAID TO THE GENERAL
37 FUND OF THE MAYOR AND CITY COUNCIL OF BALTIMORE.

1 (G) (1) IN ORDER TO IMPLEMENT THE AUTHORITY CONFERRED UPON IT BY
2 THIS SECTION TO ISSUE BONDS, THE MAYOR AND CITY COUNCIL OF BALTIMORE
3 SHALL ENACT AN ORDINANCE THAT:

4 (I) SPECIFIES AND DESCRIBES THE PROPOSED UNDERTAKING
5 AND STATES THAT IT HAS COMPLIED WITH SUBSECTION (E) OF THIS SECTION;

6 (II) SPECIFIES THE MAXIMUM PRINCIPAL AMOUNT OF BONDS TO
7 BE ISSUED;

8 (III) SPECIFIES THE MAXIMUM RATE OR RATES OF INTEREST FOR
9 THE BONDS; AND

10 (IV) AGREES TO A COVENANT TO LEVY UPON ALL REAL AND
11 PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AD VALOREM TAXES
12 OR SPECIAL TAXES IN RATE AND AMOUNT AT LEAST SUFFICIENT IN EACH YEAR IN
13 WHICH ANY OF THE BONDS ARE OUTSTANDING TO PROVIDE FOR THE PAYMENT OF
14 THE PRINCIPAL OF AND THE INTEREST ON THE BONDS.

15 (2) THE ORDINANCE MAY SPECIFY, OR MAY AUTHORIZE THE BOARD OF
16 FINANCE BY RESOLUTION TO SPECIFY, ANY OF THE FOLLOWING AS IT DEEMS
17 APPROPRIATE TO EFFECT THE FINANCING OF THE PROPOSED UNDERTAKING:

18 (I) THE ACTUAL PRINCIPAL AMOUNT OF THE BONDS TO BE
19 ISSUED;

20 (II) THE ACTUAL RATE OR RATES OF INTEREST FOR THE BONDS;

21 (III) THE MANNER IN WHICH AND THE TERMS UPON WHICH THE
22 BONDS ARE TO BE SOLD;

23 (IV) THE MANNER IN WHICH AND THE TIMES AND PLACES THAT
24 THE INTEREST ON THE BONDS IS TO BE PAID;

25 (V) THE TIME OR TIMES THAT THE BONDS MAY BE EXECUTED,
26 ISSUED, AND DELIVERED;

27 (VI) THE FORM AND TENOR OF THE BONDS AND THE
28 DENOMINATIONS IN WHICH THE BONDS MAY BE ISSUED;

29 (VII) THE MANNER IN WHICH AND THE TIMES AND PLACES THAT
30 THE PRINCIPAL OF THE BONDS IS TO BE PAID, WITHIN THE LIMITATIONS SET FORTH
31 IN THIS SECTION;

32 (VIII) PROVISIONS PURSUANT TO WHICH ANY OR ALL OF THE BONDS
33 MAY BE CALLED FOR REDEMPTION PRIOR TO THEIR STATED MATURITY DATES;

34 (IX) PROVISIONS ESTABLISHING SINKING FUNDS OR DEBT SERVICE
35 RESERVE FUNDS FOR THE BONDS;

1 (X) PROVISIONS PLEDGING OTHER ASSETS AND REVENUES
2 TOWARDS THE PAYMENTS OF THE PRINCIPAL OF AND INTEREST ON THE BONDS;

3 (XI) PROVISIONS FOR MUNICIPAL BOND INSURANCE OR ANY OTHER
4 TYPE OF FINANCIAL GUARANTY OF THE BONDS; OR

5 (XII) ANY OTHER PROVISIONS NOT INCONSISTENT WITH THIS
6 SECTION AS SHALL BE DETERMINED BY THE MAYOR AND CITY COUNCIL OF
7 BALTIMORE TO BE NECESSARY OR DESIRABLE TO EFFECT THE FINANCING OF THE
8 PROPOSED UNDERTAKING.

9 (3) (I) BEFORE THE ORDINANCE THAT DESIGNATES A SPECIAL
10 TAXING DISTRICT, AUTHORIZES THE ISSUANCE OF BONDS, OR LEVIES AD VALOREM
11 TAXES OR SPECIAL TAXES UNDER THE PROVISIONS OF THIS SECTION MAY BE
12 FINALLY ENACTED, THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL HOLD A
13 PUBLIC HEARING AFTER GIVING NOT LESS THAN 10-DAYS NOTICE IN A NEWSPAPER
14 OF GENERAL CIRCULATION IN THE CITY OF BALTIMORE.

15 (II) THE ORDINANCE ENACTED PURSUANT TO THIS SUBSECTION, IF
16 SUCH BONDS CONSTITUTE DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE
17 UNDER ARTICLE XI, § 7 OF THE MARYLAND CONSTITUTION, SHALL BE SUBMITTED TO
18 THE LEGAL VOTERS OF THE CITY OF BALTIMORE AT THE TIME AND PLACE
19 SPECIFIED THEREIN. SUCH ORDINANCE SHALL BECOME EFFECTIVE ONLY IF IT IS
20 APPROVED BY THE MAJORITY OF THE VOTES CAST AT THE TIME AND PLACE
21 SPECIFIED IN SUCH ORDINANCE.

22 (III) EXCEPT AS REQUIRED BY ~~PARAGRAPH~~ SUBPARAGRAPH(II) OF
23 ~~THIS SUBSECTION~~ PARAGRAPH, ANY ORDINANCE OR RESOLUTION ENACTED OR
24 ADOPTED IN FURTHERANCE OF THE ORDINANCE ENACTED PURSUANT TO THIS
25 SUBSECTION, THE BONDS, THE DESIGNATION OF A SPECIAL TAXING DISTRICT, OR
26 THE LEVY OF A SPECIAL AD VALOREM TAX OR SPECIAL TAX SHALL NOT BE SUBJECT
27 TO ANY REFERENDUM.

28 (IV) THE ORDINANCE AUTHORIZING THE BONDS REQUIRED UNDER
29 THIS SUBSECTION, ANY ORDINANCE OR RESOLUTION ENACTED OR ADOPTED IN
30 FURTHERANCE OF THE REQUIRED ORDINANCE, THE BONDS, THE DESIGNATION OF A
31 SPECIAL TAXING DISTRICT, OR THE LEVY OF A SPECIAL AD VALOREM TAX OR
32 SPECIAL TAX SHALL BE SUBJECT TO THE REQUEST OF THE LANDOWNERS AS
33 SPECIFIED UNDER SUBSECTION (C)(1) OF THIS SECTION.

34 (4) THE SPECIAL FUND, ANY SINKING FUND ESTABLISHED TO PROVIDE
35 FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON ANY BONDS ISSUED BY
36 THE MAYOR AND CITY COUNCIL OF BALTIMORE UNDER THE PROVISIONS OF THIS
37 SECTION AND ANY PROCEEDS OF THE SALE OF ANY SUCH BONDS MAY BE INVESTED
38 BY THE FISCAL OFFICER OF THE MAYOR AND CITY COUNCIL OF BALTIMORE HAVING
39 CUSTODY OF SUCH FUNDS, PENDING THE EXPENDITURE THEREOF, IN THE MANNER
40 PRESCRIBED UNDER THE PROVISIONS OF ARTICLE 95, § 22 OF THE ANNOTATED CODE,
41 AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, AND ANY
42 APPLICABLE INVESTMENT POLICY ADOPTED BY THE BOARD OF FINANCE.

1 (H) THE PRINCIPAL AMOUNT OF THE BONDS, THE INTEREST PAYABLE ON THE
2 BONDS, THEIR TRANSFER, AND ANY INCOME DERIVED FROM THE TRANSFER,
3 INCLUDING ANY PROFIT MADE IN THE SALE OR TRANSFER OF THE BONDS, SHALL BE
4 EXEMPT FROM TAXATION BY THE STATE AND BY THE COUNTIES AND MUNICIPAL
5 CORPORATIONS OF THE STATE ~~BUT SHALL BE INCLUDED, TO THE EXTENT REQUIRED~~
6 ~~UNDER TITLE 8, SUBTITLE 2 OF THE TAX GENERAL ARTICLE OF THE ANNOTATED~~
7 ~~CODE, AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, IN~~
8 ~~COMPUTING THE NET EARNINGS OF FINANCIAL INSTITUTIONS.~~

9 (I) (1) ALL BONDS MAY BE IN BEARER FORM OR IN COUPON FORM OR MAY
10 BE REGISTRABLE AS TO PRINCIPAL ALONE OR AS TO BOTH PRINCIPAL AND
11 INTEREST. EACH OF THE BONDS SHALL BE DEEMED TO BE A SECURITY AS DEFINED
12 IN § 8-102 OF THE COMMERCIAL LAW ARTICLE OF THE ANNOTATED CODE, AS
13 AMENDED, REPLACED, OR SUPPLEMENTED FROM TIME TO TIME, WHETHER OR NOT
14 IT IS EITHER ONE OF A CLASS OR SERIES OR BY ITS TERMS IS DIVISIBLE INTO A
15 CLASS OR SERIES OF INSTRUMENTS.

16 (2) ALL BONDS SHALL BE SIGNED MANUALLY OR IN FACSIMILE BY THE
17 MAYOR OF BALTIMORE, AND THE SEAL OF THE MAYOR AND CITY COUNCIL OF
18 BALTIMORE SHALL BE AFFIXED TO THE BONDS AND ATTESTED BY THE CUSTODIAN
19 OF THE CITY SEAL, MANUALLY OR BY FACSIMILE. IF ANY OFFICER WHOSE
20 SIGNATURE OR COUNTERSIGNATURE APPEARS ON THE BONDS CEASES TO BE SUCH
21 OFFICER BEFORE DELIVERY OF THE BONDS, THE OFFICER'S SIGNATURE OR
22 COUNTERSIGNATURE SHALL NEVERTHELESS BE VALID AND SUFFICIENT FOR ALL
23 PURPOSES THE SAME AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL
24 DELIVERY.

25 (3) ALL BONDS SHALL MATURE NOT LATER THAN 40 YEARS FROM THEIR
26 DATE OF ISSUANCE.

27 (4) ALL BONDS SHALL BE SOLD IN THE MANNER, EITHER AT PUBLIC OR
28 PRIVATE SALE, AND UPON THE TERMS AS THE MAYOR AND CITY COUNCIL OF
29 BALTIMORE BY ORDINANCE (OR IF AUTHORIZED IN THE ORDINANCE AUTHORIZING
30 SUCH BONDS, THE BOARD OF FINANCE BY RESOLUTION) DEEMS BEST. ANY
31 CONTRACT FOR THE ACQUISITION OF PROPERTY MAY PROVIDE THAT PAYMENT
32 SHALL BE MADE IN BONDS.

33 (J) BONDS ISSUED UNDER THIS SECTION ARE SECURITIES:

34 (1) IN WHICH ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE STATE
35 AND ITS POLITICAL SUBDIVISIONS, ALL INSURANCE COMPANIES, STATE BANKS AND
36 TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS, SAVINGS BANKS, SAVINGS
37 AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, EXECUTORS,
38 ADMINISTRATORS, TRUSTEES, AND OTHER FIDUCIARIES MAY PROPERLY AND
39 LEGALLY INVEST FUNDS, INCLUDING CAPITAL IN THE CONTROL OR BELONGING TO
40 THEM; AND

41 (2) WHICH MAY PROPERLY AND LEGALLY BE DEPOSITED WITH AND
42 RECEIVED BY ANY STATE OR COUNTY OFFICER OR ANY AGENCY OR POLITICAL

1 SUBDIVISION OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS
2 OR OBLIGATIONS OF THE STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED BY
3 LAW.

4 (K) (1) AS AN ALTERNATIVE TO LEVYING AD VALOREM TAXES UNDER THIS
5 SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY LEVY SPECIAL TAXES
6 ON PROPERTY IN A SPECIAL TAXING DISTRICT TO COVER THE COST OF
7 INFRASTRUCTURE IMPROVEMENTS.

8 (2) IN DETERMINING THE BASIS FOR AND AMOUNT OF THE TAX, THE
9 COST OF AN INFRASTRUCTURE IMPROVEMENT MAY BE CALCULATED AND LEVIED:

10 (I) EQUALLY PER FRONT FOOT, LOT, PARCEL, DWELLING UNIT, OR
11 SQUARE FOOT;

12 (II) ACCORDING TO THE VALUE OF THE PROPERTY AS DETERMINED
13 BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, WITH OR WITHOUT REGARD TO
14 IMPROVEMENTS ON THE PROPERTY; OR

15 (III) IN ANY OTHER REASONABLE MANNER THAT RESULTS IN
16 FAIRLY ALLOCATING THE COST OF THE INFRASTRUCTURE IMPROVEMENTS.

17 (3) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY PROVIDE BY
18 ORDINANCE FOR:

19 (I) A MAXIMUM AMOUNT TO BE ASSESSED WITH RESPECT TO ANY
20 PARCEL OF PROPERTY LOCATED WITHIN A SPECIAL TAXING DISTRICT;

21 (II) A TAX YEAR OR OTHER DATE AFTER WHICH NO FURTHER
22 SPECIAL TAXES UNDER THIS SECTION SHALL BE LEVIED OR COLLECTED ON A
23 PARCEL; AND

24 (III) THE CIRCUMSTANCES UNDER WHICH THE SPECIAL TAX LEVIED
25 AGAINST ANY PARCEL MAY BE INCREASED, IF AT ALL, AS A CONSEQUENCE OF
26 DELINQUENCY OR DEFAULT BY THE OWNER OF THAT PARCEL OR ANY OTHER
27 PARCEL WITHIN THE SPECIAL TAXING DISTRICT.

28 (4) THE MAYOR AND CITY COUNCIL OF BALTIMORE BY ORDINANCE MAY
29 ESTABLISH PROCEDURES ALLOWING FOR THE PREPAYMENT OF SPECIAL TAXES
30 UNDER THIS SECTION AND MAY PROVIDE FOR EXEMPTIONS, DEFERRALS, AND
31 CREDITS.

32 (5) SPECIAL TAXES LEVIED UNDER THIS SUBSECTION SHALL BE
33 COLLECTED AND SECURED IN THE SAME MANNER AS GENERAL AD VALOREM TAXES
34 UNLESS OTHERWISE PROVIDED IN THE ORDINANCE OR RESOLUTION AND SHALL BE
35 SUBJECT TO THE SAME PENALTIES AND THE SAME PROCEDURE, SALE, AND LIEN
36 PRIORITY IN CASE OF DELINQUENCY AS IS PROVIDED FOR GENERAL AD VALOREM
37 TAXES.

1 (L) BEFORE THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY DESIGNATE
2 AN AREA WHOLLY OR PARTLY WITHIN ANY COUNTY OR MUNICIPAL CORPORATION AS
3 A SPECIAL TAXING DISTRICT, THE GOVERNING BODY OF SUCH COUNTY OR
4 MUNICIPAL CORPORATION MUST GIVE ITS CONSENT TO THE DESIGNATION.

5 (M) BONDS ISSUED UNDER THIS SECTION ARE A SPECIAL OBLIGATION OF THE
6 MAYOR AND CITY COUNCIL OF BALTIMORE AND MAY NOT CONSTITUTE A GENERAL
7 OBLIGATION DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE OR A PLEDGE
8 OF THE MAYOR AND CITY COUNCIL OF BALTIMORE'S FULL FAITH AND CREDIT OR
9 TAXING POWER.

10 (N) A CONTRACT TO SELL REAL PROPERTY WITHIN A SPECIAL TAXING
11 DISTRICT MUST DISCLOSE TO THE BUYER ANY SPECIAL ASSESSMENT, SPECIAL TAX,
12 OR OTHER FEE OR CHARGE FOR WHICH THE BUYER WOULD BE LIABLE DUE TO THE
13 SPECIAL TAXING DISTRICT. A SELLER'S FAILURE TO PROVIDE THE DISCLOSURE
14 REQUIRED UNDER THIS SUBSECTION RENDERS THE CONTRACT VOIDABLE AT THE
15 OPTION OF THE BUYER BEFORE THE DATE OF SETTLEMENT.

16 (O) A LIEN ATTACHES TO PROPERTY WITHIN A SPECIAL TAXING DISTRICT TO
17 THE EXTENT OF THAT PROPERTY OWNERS' OBLIGATION UNDER ANY SPECIAL
18 TAXING DISTRICT FINANCING. BEFORE ANY BONDS ARE ISSUED, A DECLARATION
19 ENCUMBERING ALL REAL PROPERTY LOCATED IN THE SPECIAL TAXING DISTRICT TO
20 THE EXTENT OF SUCH FINANCING SHALL BE RECORDED IN THE LAND RECORDS OF
21 BALTIMORE CITY AND HAVE THE SAME PRIORITY AS CITY TAXES UNDER STATE AND
22 CITY LAW.

23 (P) WHENEVER THE MAYOR AND CITY COUNCIL OF BALTIMORE, AS LESSOR,
24 LEASES ITS PROPERTY WITHIN THE SPECIAL TAXING DISTRICT, THE PROPERTY
25 SHALL BE ASSESSED AND TAXED IN THE SAME MANNER AS PRIVATELY OWNED
26 PROPERTY, AND THE LEASE OR CONTRACT SHALL PROVIDE THAT THE LESSEE SHALL
27 PAY TAXES OR PAYMENTS IN LIEU OF SPECIAL TAXES UPON THE ASSESSED VALUE
28 OF THE ENTIRE PROPERTY AND NOT MERELY THE ASSESSED VALUE OF THE
29 LEASEHOLD INTEREST.

30 ~~(Q) ANY CONTRACTS FOR THE PURCHASE OF INFRASTRUCTURE
31 IMPROVEMENTS, GOODS OR SERVICES WHICH ARE PAYABLE FROM THE PROCEEDS
32 OF BONDS SHALL NOT BE SUBJECT TO CITY REQUIREMENTS REGARDING
33 COMPETITIVE BIDDING.~~

34 ~~(R)~~ (Q) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY
35 AND THROUGH THE BOARD OF FINANCE THEREOF, IS HEREBY AUTHORIZED AND
36 EMPOWERED TO ISSUE ITS BONDS FOR THE PURPOSE OF REFUNDING ANY BONDS
37 AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS SECTION BY PAYMENT
38 AT MATURITY OR THE PURCHASE OR REDEMPTION OF BONDS IN ADVANCE OF
39 MATURITY. THE VALIDITY OF ANY REFUNDING BONDS SHALL IN NO WAY BE
40 DEPENDENT UPON OR RELATED TO THE VALIDITY OR INVALIDITY OF THE BONDS
41 BEING REFUNDED. SUCH REFUNDING BONDS MAY BE ISSUED BY THE MAYOR AND
42 CITY COUNCIL OF BALTIMORE, ACTING BY AND THROUGH THE BOARD OF FINANCE
43 THEREOF, FOR THE PURPOSE OF PROVIDING IT WITH FUNDS TO PAY ANY OF ITS

1 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
2 SECTION AT MATURITY, TO PURCHASE IN THE OPEN MARKET ANY OF ITS
3 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
4 SUBSECTION PRIOR TO THEIR MATURITY, TO REDEEM PRIOR TO THEIR MATURITY
5 ANY OUTSTANDING BONDS WHICH ARE, BY THEIR TERMS, REDEEMABLE, TO PAY
6 INTEREST ON ANY OUTSTANDING BONDS PRIOR TO THEIR PAYMENT AT MATURITY
7 OR PURCHASE OR REDEMPTION IN ADVANCE OF MATURITY, OR TO PAY ANY
8 REDEMPTION OR PURCHASE PREMIUM IN CONNECTION WITH THE REFUNDING OF
9 ANY OF ITS OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE
10 PROVISIONS OF THIS SUBSECTION.

11 (2) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
12 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED FOR THE PUBLIC
13 PURPOSE OF:

14 (I) REALIZING SAVINGS TO BALTIMORE CITY IN THE AGGREGATE
15 COST OF DEBT SERVICE ON EITHER A DIRECT COMPARISON OR PRESENT VALUE
16 BASIS; OR

17 (II) DEBT RESTRUCTURING THAT:

18 1. IN THE AGGREGATE EFFECTS SUCH A REDUCTION IN THE
19 COST OF DEBT SERVICE; OR

20 2. IS DETERMINED BY THE BOARD OF FINANCE OR THE
21 MAYOR AND CITY COUNCIL OF BALTIMORE TO BE IN THE BEST INTEREST OF
22 BALTIMORE CITY, TO BE CONSISTENT WITH BALTIMORE CITY'S LONG-TERM
23 FINANCIAL PLAN, AND TO REALIZE A FINANCIAL OBJECTIVE OF BALTIMORE CITY,
24 INCLUDING, WITHOUT LIMITATION, IMPROVING THE RELATIONSHIP OF DEBT
25 SERVICE TO A SOURCE OF PAYMENT SUCH AS TAXES, ASSESSMENTS, OR OTHER
26 CHARGES.

27 (3) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
28 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED IN WHATEVER PRINCIPAL
29 AMOUNT SHALL BE REQUIRED TO ACHIEVE THE PURPOSE FOR THE ISSUANCE OF
30 THE REFUNDING BONDS, WHICH AMOUNT MAY BE IN EXCESS OF THE PRINCIPAL
31 AMOUNT OF THE BONDS REFUNDED OR THE MAXIMUM PRINCIPAL AMOUNT OF
32 BONDS AUTHORIZED TO BE ISSUED UNDER SUBSECTION (G)(2)~~(H)(1)~~ OF THIS SECTION.

33 (4) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
34 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED TO MATURE ON SUCH
35 DATES AND IN SUCH AMOUNTS AS THE BOARD OF FINANCE MAY DETERMINE;
36 PROVIDED THAT THE ENTIRE PRINCIPAL AMOUNT REPRESENTED BY THE
37 REFUNDING BONDS SHALL BE DISCHARGED NOT MORE THAN 40 YEARS FROM THE
38 DATE OF ISSUANCE OF THE BONDS BEING REFUNDED.

39 (5) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
40 UNDER THE PROVISIONS OF THIS SECTION MAY BE SOLD AT PUBLIC SALE BY THE
41 SOLICITATION OF COMPETITIVE BIDS OR AT PRIVATE (NEGOTIATED) SALE WITHOUT
42 ADVERTISEMENT OR SOLICITATION OF COMPETITIVE BIDS, FOR A PRICE OR PRICES

1 WHICH MAY BE AT, ABOVE, OR BELOW THE PAR VALUE OF THE REFUNDING BONDS,
2 AS DETERMINED BY RESOLUTION OF THE BOARD OF FINANCE OF THE MAYOR AND
3 CITY COUNCIL OF BALTIMORE. IF THE BOARD OF FINANCE DETERMINES TO SELL
4 THE REFUNDING BONDS AT PUBLIC SALE, THE REFUNDING BONDS SHALL BE SOLD
5 TO THE HIGHEST RESPONSIBLE BIDDER OR BIDDERS THEREFOR AFTER DUE NOTICE
6 OF SUCH SALE, BUT THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY AND
7 THROUGH THE BOARD OF FINANCE THEREOF, SHALL HAVE THE RIGHT TO REJECT
8 ANY OR ALL BIDS THEREFOR FOR ANY REASON.

9 (6) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
10 UNDER THE PROVISIONS OF THIS SECTION SHALL BEAR INTEREST AT SUCH RATE OR
11 RATES AS MAY BE DETERMINED BY THE BOARD OF FINANCE OF THE MAYOR AND
12 CITY COUNCIL OF BALTIMORE, WHICH RATE OR RATES MAY BE FIXED OR VARIABLE
13 OR AS DETERMINED BY A METHOD APPROVED BY THE BOARD OF FINANCE, AND
14 SUCH INTEREST SHALL BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE
15 DETERMINED BY THE BOARD OF FINANCE.

16 (7) THE PROCEEDS OF THE SALE OF ANY REFUNDING BONDS
17 AUTHORIZED TO BE ISSUED AND SOLD UNDER THE PROVISIONS OF THIS SECTION,
18 AFTER THE PAYMENT OF ISSUANCE COSTS RELATING THERETO, SHALL BE SET
19 ASIDE BY THE MAYOR AND CITY COUNCIL OF BALTIMORE AS A SEPARATE TRUST
20 FUND TO BE USED SOLELY FOR THE PURPOSES STATED IN THIS SUBSECTION.

21 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
22 POWERS GRANTED IN, THE LIMITATIONS AND OBLIGATIONS IMPOSED BY, AND THE
23 PROCEDURES SPECIFIED IN THIS SECTION WITH RESPECT TO THE ISSUANCE OF
24 BONDS SHALL BE APPLICABLE TO THE ISSUANCE OF REFUNDING BONDS.

25 (9) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
26 UNDER THE PROVISIONS OF THIS SECTION SHALL NOT BE SUBJECT TO ANY DEBT
27 POLICY LIMITATION THAT MAY FROM TIME TO TIME BE ESTABLISHED BY THE
28 MAYOR AND CITY COUNCIL OF BALTIMORE.

29 ~~(S)~~ (R) THE POWERS GRANTED UNDER THIS SECTION SHALL BE REGARDED
30 AS SUPPLEMENTAL AND ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS, AND
31 MAY NOT BE REGARDED AS IN DEROGATION OF ANY POWERS NOW EXISTING.

32 ~~(T)~~ (S) THIS SECTION, BEING NECESSARY FOR THE WELFARE OF THE CITY
33 OF BALTIMORE AND OF ITS RESIDENTS, SHALL BE LIBERALLY CONSTRUED TO
34 EFFECT THE PURPOSE STATED IN SUBSECTION ~~(C)~~(A)(2) OF THIS SECTION.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 2001.

