
By: **Calvert County Delegation**

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CHAPTER 50

1 AN ACT concerning

2 **Calvert County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Calvert County, from time to time, to borrow not more than \$25,700,000 in order
5 to finance the construction, improvement, or development of certain public
6 roads and facilities in Calvert County, as herein defined, and to effect such
7 borrowing by the issuance and sale at public or private sale of its general
8 obligation bonds in like par amount; empowering the county to fix and
9 determine, by resolution, the form, tenor, interest rate or rates or method of
10 determining the same, terms, conditions, maturities, and all other details
11 incident to the issuance and sale of the bonds; empowering the county to issue
12 refunding bonds for the purchase or redemption of bonds in advance of maturity;
13 empowering and directing the county to levy, impose, and collect, annually, ad
14 valorem taxes in rate and amount sufficient to provide funds for the payment of
15 the maturing principal of and interest on the bonds; exempting the bonds and
16 refunding bonds and the interest thereon and any income derived therefrom
17 from all State, county, municipal, and other taxation in the State of Maryland;
18 providing that nothing in this Act shall prevent the county from authorizing the
19 issuance and sale of bonds the interest on which is not excludable from gross
20 income for federal income tax purposes; and relating generally to the issuance
21 and sale of such bonds.

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That, as used herein, the term "county" means the body politic and
24 corporate of the State of Maryland known as the County Commissioners of Calvert
25 County, and the term "construction, improvement, or development of public roads and
26 facilities" means the acquisition, alteration, construction, reconstruction,
27 enlargement, equipping, expansion, extension, improvement, rehabilitation,

1 renovation, upgrading, and repair of public roads and facilities, including, but not
2 limited to the Prince Frederick Loop Road, the College of Southern Maryland, and the
3 Prince Frederick Library, together with the costs of acquiring land or interests in land
4 as well as any related architectural, financial, legal, planning, or engineering
5 services.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the county is hereby
7 authorized to finance any part or all of the costs of the public facilities described in
8 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
9 one time or from time to time, in an amount not exceeding, in the aggregate,
10 \$25,700,000 and to evidence such borrowing by the issuance and sale upon its full
11 faith and credit of general obligation bonds in like par amount, which may be issued
12 at one time or from time to time, in one or more groups or series, as the county may
13 determine.

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

40 The bonds may be made redeemable before maturity, at the option of the county,
41 at such price or prices and under such terms and conditions as may be fixed by the
42 county prior to the issuance of the bonds, either in the resolution or in a bond order
43 pursuant to the bond resolution. The bonds may be issued in registered form and
44 provision may be made for the registration of the principal only. In case any officer
45 whose signature appears on any bond ceases to be such officer before the delivery
46 thereof, such signature shall nevertheless be valid and sufficient for all purposes as if

1 he had remained in office until such delivery. The bonds and the issuance and sale
2 thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article 31 of
3 the Annotated Code of Maryland, as amended.

4 The county may enter into agreements with agents, banks, fiduciaries, insurers,
5 or others for the purpose of enhancing the marketability of any security for the bonds
6 and for the purpose of securing any tender option that may be granted to holders of
7 the bonds, all as may be determined and presented in the aforesaid resolution, which
8 may (but need not) state as security for the performance by the county of any
9 monetary obligations under such agreements the same security given by the county to
10 bondholders for the performance by the county of its monetary obligations under the
11 bonds.

12 If the county determines in the resolution to offer any of the bonds by
13 solicitation of competitive bids at public sale, the resolution shall fix the terms and
14 conditions of the public sale and shall adopt a form of notice of sale, which shall
15 outline the terms and conditions, and a form of advertisement, which shall be
16 published in one or more daily or weekly newspapers having a general circulation in
17 the county and which may also be published in one or more journals having a
18 circulation primarily among banks and investment bankers. At least one publication
19 of the advertisement shall be made not less than 10 days before the sale of the bonds.

20 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
21 shall be made to the Treasurer of Calvert County or such other official of Calvert
22 County as may be designated to receive such payment in a resolution passed by the
23 county before such delivery.

24 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
25 sale of bonds shall be used and applied exclusively and solely for the acquisition,
26 construction, improvement, or development of public roads and facilities for which the
27 bonds are sold. If the amounts borrowed shall prove inadequate to finance the
28 projects described in the resolution, the county may issue additional bonds with the
29 limitations hereof for the purpose of evidencing the borrowing of additional funds for
30 such financing, provided the resolution authorizing the sale of additional bonds shall
31 so recite, but if the net proceeds of the sale of any issue of bonds exceeds the amount
32 needed to finance the projects described in the resolution, the excess funds so
33 borrowed and not expended shall be applied to the payment of the next principal
34 maturity of the bonds or to the redemption of any part of the bonds which have been
35 made redeemable or to the purchase and cancellation of bonds, unless the county
36 shall adopt a resolution allocating the excess funds to the acquisition, construction,
37 improvement, or development of other public facilities, as defined and within the
38 limits set forth in this Act.

39 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
40 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
41 faith and credit and unlimited taxing power of the county to the payment of the
42 maturing principal of and interest on the bonds as and when they become payable. In
43 each and every fiscal year that any of the bonds are outstanding, the county shall levy
44 or cause to be levied ad valorem taxes upon all the assessable property within the

1 corporate limits of the county in rate and amount sufficient to provide for or assure
2 the payment, when due, of the principal of and interest on all the bonds maturing in
3 each such fiscal year and, in the event the proceeds from the taxes so levied in any
4 such fiscal year shall prove inadequate for such payment, additional taxes shall be
5 levied in the succeeding fiscal year to make up any such deficiency. The county may
6 apply to the payment of the principal of and interest on any bonds issued hereunder
7 any funds received by it from the State of Maryland, the United States of America,
8 any agency or instrumentality thereof, or from any other source, if such funds are
9 granted for the purpose of assisting the county in financing the acquisition,
10 construction, improvement, or development of the public roads and facilities defined
11 in this Act and, to the extent of any such funds received or receivable in any fiscal
12 year, the taxes that are required to be levied may be reduced accordingly.

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

34 SECTION 7. AND BE IT FURTHER ENACTED, That the county may, prior to
35 the preparation of definitive bonds, issue interim certificates or temporary bonds,
36 exchangeable for definitive bonds when such bonds have been executed and are
37 available for such delivery, provided, however, that any such interim certificates or
38 temporary bonds shall be issued in all respects subject to the restrictions and
39 requirements set forth in this Act. The county may, by appropriate resolution, provide
40 for the replacement of any bonds issued hereunder which shall have become
41 mutilated or lost or destroyed upon such conditions and after receiving such
42 indemnity as the county may require.

43 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
44 issued pursuant to the authority of this Act, their transfer, the interest payable
45 thereon, and any income derived therefrom in the hands of the holders thereof from
46 time to time (including any profit made in the sale thereof) shall be and are hereby

1 declared to be at all times exempt from State, county, municipal, or other taxation of
2 every kind and nature whatsoever within the State of Maryland.

3 Nothing in this Act shall prevent the county from authorizing the issuance and
4 sale of bonds the interest on which is not excludable from gross income for federal
5 income tax purposes.

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

20 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
21 effect June 1, 2002.