SENATE BILL 737

L2

7lr1900 CF 7lr3437

By: **Senator Waugh** Introduced and read first time: February 3, 2017 Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 St. Mary's County – Bonds and Other Evidences of Indebtedness – Limitations

- FOR the purpose of altering certain limits on debt in St. Mary's County to reflect the
 changes in the computation of assessments as a result of the transition to full value
 assessments; subjecting certain bonds and other evidences of indebtedness issued
 under the authority of the St. Mary's County Sanitary Commission Act to a certain
 limitation; and generally relating to limitations on debt issued under the approval of
 the County Commissioners of St. Mary's County.
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- 9 BY repealing and reenacting, with amendments,
- 10 The Public Local Laws of St. Mary's County
- 11 Section 27–11
- 12 Article 19 Public Local Laws of Maryland
- 13 (2007 Edition and October 2014 Supplement, as amended)
- 14 BY repealing and reenacting, with amendments,
- 15 The Public Local Laws of St. Mary's County
- 16 Section 113–6
- 17 Article 19 Public Local Laws of Maryland
- 18 (2007 Edition and October 2014 Supplement, as amended)
- 19 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016)
- 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 21 That the Laws of Maryland read as follows:
- 22

Article 19 – St. Mary's County

23 27-11.



SENATE BILL 737

1 Unless and until otherwise provided by ordinance of the County A. $\mathbf{2}$ Commissioners within the limitations provided by public general law, the aggregate 3 amount of bonds and other evidences of indebtedness outstanding at any ONE time may not exceed [five (5) percent upon the assessable basis of the county] A TOTAL OF THE SUM 4 OF ONE AND EIGHT-TENTHS (1.8) PERCENT UPON THE ASSESSABLE REAL PROPERTY $\mathbf{5}$ 6 IN THE COUNTY OTHER THAN THE OPERATING REAL PROPERTY OF A PUBLIC 7UTILITY AND FIVE (5) PERCENT UPON THE ASSESSABLE PERSONAL PROPERTY AND **OPERATING REAL PROPERTY OF A PUBLIC UTILITY.** However, tax anticipation notes or 8 9 other evidences of indebtedness having a maturity not in excess of twelve (12) months, bonds or other evidences of indebtedness issued or guaranteed by the county, payable 10 11 primarily or exclusively from taxes levied in or on or other revenues of special taxing areas 12or districts heretofore or hereafter established by law, [and] bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively 13from the proceeds of assessments or charges for special benefits or services, and agreements 1415or other evidences of indebtedness executed or guaranteed by the county, payable primarily 16 or exclusively from investment instruments purchased by the county, that are guaranteed 17to yield proceeds equal to or exceeding the amount of the county's indebtedness, are not 18 subject to or to be included as bonds or evidences of indebtedness in computing or applying 19 the percent limitations above provided.

B. All bonds or other evidences of indebtedness issued under the authority of the Sanitary Commission Act shall be [construed as exempt, under Subsection A above, from] SUBJECT TO the percent limitation SET FORTH in SUBSECTION A OF this section [provided but shall continue as heretofore to be subject to the percent limitation as from time to time provided in said Act].

C. All bonds or other evidences of indebtedness issued by the County Commissioners for the benefit of St. Mary's Hospital of St. Mary's County may not be included as bonds or other evidences of indebtedness in computing or applying the percent limitation provided in Subsection A of this section.

29 113-6.

For the purpose of providing funds for the design, construction, establishment, 30 А. purchase or condemnation of water supply and sewerage systems in any of the sanitary 3132districts, the Commission, upon the approval of the County Commissioners of St. Mary's County AND IN ACCORDANCE WITH § 27–11 OF THE ST. MARY'S COUNTY CODE, is 33 34authorized and empowered to issue bonds, from time to time, upon the full faith and credit 35of St. Mary's County, in such amounts as it may deem to be necessary to carry on its work, 36 but at no time shall the total issue of bonds for all purposes under this chapter exceed 37 twenty-five (25) percent of the total value of the property assessed for County taxation 38purposes within all of the sanitary districts in which public water or sewer facilities are 39 located. Subject to the conditions contained herein, the form, tenor, manner of selling and 40 all other matters relating to the issuance of bonds under this chapter shall be prescribed in 41 a resolution to be adopted by the St. Mary's County Metropolitan Commission prior to sale of the bonds. [The] EXCEPT AS PROVIDED IN § 27-11 OF THE ST. MARY'S COUNTY 42

SENATE BILL 737

1 **CODE.** THE issuance of such bonds may not be subject to any limitations or conditions $\mathbf{2}$ contained in any other law, and the Commission may sell such bonds in such manner, either 3 at public or private sale, and for such price, as it may determine to be for the best interests of the Commission and the County Commissioners of St. Mary's County. The bonds shall 4 $\mathbf{5}$ be serial bonds issued upon the serial maturing plan and in such denominations as shall 6 be determined by the Commission. The bonds may be redeemable before maturity at the 7 option of the Commission at such price and under such terms and conditions as may be 8 fixed by the Commission prior to the issuance of the bonds, shall bear interest at such rate 9 or rates payable semiannually, as shall be determined by a resolution of the St. Mary's 10 County Metropolitan Commission adopted prior to the delivery of the bonds, and shall 11 mature in not more than forty (40) years after date of issue and shall be forever exempt 12from State, City and County taxation as hereinafter provided. They shall be issued under 13the signature and seal of the Commission and shall be unconditionally guaranteed as to payment of both principal and interest by the County Commissioners of St. Mary's County. 14a political subdivision of the State of Maryland, which guaranty shall be endorsed on each 1516of the bonds in the following language: "The payment of interest when due and the principal 17at maturity is guaranteed by the County Commissioners of St. Mary's County, Maryland." 18Such endorsement shall be signed on each of the bonds by the President and by the Clerk 19of the Board of County Commissioners of the County, or another person lawfully assigned 20to the functions of the Clerk, within ten (10) days after the bonds are presented by the 21Commission to them for endorsement.

B. The principal amount of bonds issued hereunder, the interest payable thereon, their transfer and any income derived therefrom, including any profit made in the sale or transfer thereof, shall be and remain exempt from taxation by the State of Maryland and by the several counties and municipal corporations of this State.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 27 October 1, 2017.