

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 537

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in lines 2 and 9, in each instance, after "County" insert ", Carroll County, and Montgomery County"; in lines 4 and 7, in each instance, after "County" insert "and Carroll County"; in line 8, after "circumstances;" insert "requiring, prohibiting, and authorizing certain provisions in a law enacted by Anne Arundel County exercising the authority granted under this Act; removing certain limitations on the issuance of certain bonds by Montgomery County under certain circumstances; requiring certain bonds issued by Montgomery County to be treated as certain securities;"; in line 13, after "(b)", insert "and (c)"; and strike in their entirety lines 16 through 20, inclusive, and substitute:

"BY repealing and reenacting, with amendments,

The Public Local Laws of Montgomery County

Section 20A-1(d)

Article 16 - Public Local Laws of Maryland

(1994 Edition and October 1995 Supplement, as amended)".

AMENDMENT NO. 2

On page 1, in line 25, after "COUNTY," insert "CARROLL COUNTY,".

On page 2, in line 3, after "(2)" insert "(I)"; in the same line, strike "The" and substitute "EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE"; and after line 12, insert:

"(II) IN CARROLL COUNTY, THE PURPOSE OF THE AUTHORITY GRANTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS LIMITED TO PROVIDING FINANCING, REFINANCING, OR REIMBURSEMENT FOR THE COST OF THE DESIGN, CONSTRUCTION, ESTABLISHMENT, EXTENSION, ALTERATION, OR ACQUISITION OF ADEQUATE SEWERS IN CARROLL COUNTY ELECTION DISTRICT 6, PRECINCT 1.

(3) A LAW ENACTED BY ANNE ARUNDEL COUNTY UNDER THE AUTHORITY OF THIS SECTION:

(I) SHALL SPECIFY THE TYPES OF INFRASTRUCTURE AND RELATED COSTS THAT MAY BE FINANCED;

(II) SHALL REQUIRE:

1. REASONABLE DISCLOSURE IN THE REAL ESTATE CONTRACT TO BUYERS OF REAL PROPERTY WITHIN A SPECIAL TAXING DISTRICT OF ANY SPECIAL ASSESSMENT, SPECIAL TAX, OR OTHER FEE OR CHARGE FOR WHICH THE BUYER WOULD BE LIABLE DUE TO THE SPECIAL TAXING DISTRICT;

2. THAT A SELLER'S FAILURE TO PROVIDE THE DISCLOSURE REQUIRED UNDER SUBITEM 1 OF THIS ITEM RENDERS THE CONTRACT VOIDABLE AT THE OPTION OF THE BUYER BEFORE THE DATE OF SETTLEMENT; AND

3. THAT ADEQUATE DEBT SERVICE RESERVE FUNDS BE MAINTAINED;

(III) MAY NOT ALLOW:

1. ACCELERATION OF ASSESSMENTS OR TAXES BY REASON OF BOND DEFAULT; OR

2. AN INCREASE IN THE MAXIMUM SPECIAL ASSESSMENTS, SPECIAL TAXES, OR OTHER FEES OR CHARGES APPLICABLE TO ANY INDIVIDUAL PROPERTY IN THE EVENT THAT OTHER PROPERTY OWNERS BECOME DELINQUENT IN THE PAYMENT OF A SPECIAL ASSESSMENT, SPECIAL TAX, OR OTHER FEE OR CHARGE SECURING SPECIAL OBLIGATION DEBT ISSUED UNDER THIS SECTION; AND

(IV) MAY PROVIDE:

1. FOR EXEMPTIONS, DEFERRALS, AND CREDITS; AND

2. THAT A LIEN ATTACHES TO PROPERTY WITHIN A SPECIAL TAXING DISTRICT TO THE EXTENT OF THAT PROPERTY OWNER'S OBLIGATION UNDER ANY SPECIAL TAXING DISTRICT FINANCING.

Article 16 - Montgomery County

20A-1.

(d) (1) Prior to the issuance of debt under this section, the County shall notify and consult with those organizations that rate the County's general obligation bonds in an effort to ensure, to the extent reasonably possible, that the County's general obligation bond ratings will not be adversely affected by the issuance of the special obligation debt.

(2) (I) [Bonds] EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, BONDS may not be issued under this section unless the County obtains a rating of investment grade for the bonds from at least one of the organizations that rate the County's general obligation bonds.

(II) AN INVESTMENT GRADE RATING IS NOT REQUIRED FOR BONDS THAT ARE SOLD TO NOT MORE THAN 35 PURCHASERS, EACH OF WHOM CERTIFIES TO THE COUNTY AND THE PARTICIPATING UNDERWRITER THAT THE PURCHASER:

1. HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT IT IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF INVESTMENT IN THE BONDS; AND

2. IS NOT PURCHASING FOR MORE THAN ONE ACCOUNT OR WITH A VIEW TO DISTRIBUTING THE BONDS.

(3) BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED UNDER THIS SECTION SHALL BE TREATED AS SECURITIES TO THE SAME EXTENT PERMITTED FOR SPECIAL OBLIGATION DEBT ISSUED UNDER ARTICLE 24, § 9-1301 OF THE CODE.”.