
By: Calvert County Delegation

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Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 1996

CHAPTER ____

1 AN ACT concerning

2 Calvert County - Public Facilities Bonds - Public School Construction

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

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That, as used herein, the term "County" means the body politic and
23 corporate of the State of Maryland known as the County Commissioners of Calvert
24 County, and the term "construction, improvement, or development of public facilities"
25 means the acquisition, alteration, construction, reconstruction, enlargement, equipping,
26 expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of
27 public buildings and facilities, including, but not limited to, ~~the following a new middle~~
28 school in Calvert County, to be named Windy Hill Middle School, together with related

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1 architectural, financial, legal, planning or engineering services, ~~of a new middle school in~~
2 ~~Calvert County, to be named Windy Hill Middle School.~~

3 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
4 authorized to finance any part or all of the costs of the facilities described in Section 1 of
5 this Act, and to borrow money and incur indebtedness for that purpose, at one time or
6 from time to time, in an amount not exceeding, in the aggregate, \$4,700,000 and to
7 evidence such borrowing by the issuance and sale upon its full faith and credit of general
8 obligation bonds in like par amount, which may be issued at one time or from time to
9 time, in one or more groups or series, as the County may determine.

10 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued
11 in accordance with a resolution of the County, which shall describe generally the
12 construction, improvement, or development of public facilities for which the proceeds of
13 the bond sale are intended and the amount needed for those purposes. The County shall
14 have and is hereby granted full and complete authority and discretion in the resolution to
15 fix and determine with respect to the bonds of any issue: the designation, date of issue,
16 denomination or denominations, form or forms, and tenor of the bonds; the rate or rates
17 of interest payable thereon, or the method of determining the same, which may include a
18 variable rate; the date or dates and amount or amounts of maturity, which need not be in
19 equal par amounts or in consecutive annual installments, provided only that no bond of
20 any issue shall mature later than 30 years from the date of its issue; the manner of selling
21 the bonds, which may be at either public or private sale, for such price or prices as may be
22 determined to be for the best interests of Calvert County; the manner of executing and
23 sealing the bonds, which may be by facsimile; the terms and conditions, if any, under
24 which bonds may be tendered for payment or purchase prior to their stated maturity; the
25 terms or conditions, if any, under which bonds may or shall be redeemed prior to their
26 stated 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 rebate
30 or penalties in lieu of rebate; and generally all matters incident to the terms, conditions,
31 issuance, sale, and delivery thereof.

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

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

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1 bonds, all as may be determined and presented in the aforesaid resolution, which may
2 (but need not) state as security for the performance by the County of any monetary
3 obligations under such agreements the same security given by the County to bondholders
4 for the performance by the County of its monetary obligations under the bonds.

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

13 Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall
14 be made to the Treasurer of Calvert County or such other official of the County as may be
15 designated to receive such payment in a resolution passed by the County Commissioners
16 of Calvert County before such delivery.

17 SECTION 4. 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 acquisition,
19 construction, improvement, or development of public facilities for which the bonds are
20 sold. If the amounts borrowed shall prove inadequate to finance the projects described in
21 the resolution, the County may issue additional bonds with the limitations hereof for the
22 purpose of evidencing the borrowing of additional funds for such financing, provided the
23 resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds
24 of the sale of any issue of bonds exceeds the amount needed to finance the projects
25 described in the resolution, the excess funds so borrowed and not expended shall be
26 applied to the payment of the next principal maturity of the bonds or to the redemption
27 of any part of the bonds which have been made redeemable or to the purchase and
28 cancellation of bonds, unless the County shall adopt a resolution allocating the excess
29 funds to the acquisition, construction, improvement, or development of other public
30 facilities, as defined and within the limits set forth in this Act.

31 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
32 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith
33 and credit and unlimited taxing power of the County to the payment of the maturing
34 principal of and interest on the bonds as and when they become payable. In each and
35 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to
36 be levied ad valorem taxes upon all the assessable property within the corporate limits of
37 the County in rate and amount sufficient to provide for or assure the payment, when due,
38 of the principal of and interest on all the bonds maturing in each such fiscal year and, in
39 the event the proceeds from the taxes so levied in any such fiscal year shall prove
40 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year
41 to make up any such deficiency. The County may apply to the payment of the principal of
42 and interest on any bonds issued hereunder any funds received by it from the State of
43 Maryland, the United States of America, any agency or instrumentality thereof, or from
44 any other source, if such funds are granted for the purpose of assisting the County in
45 financing the acquisition, construction, improvement, or development of the public

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1 facilities defined in this Act and, to the extent of any such funds received or receivable in
2 any fiscal year, the taxes that are required to be levied may be reduced accordingly.

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

22 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
23 the preparation of definitive bonds, issue interim certificates or temporary bonds, with or
24 without coupons, exchangeable for definitive bonds when such bonds have been executed
25 and are available for such delivery, provided, however, that any such interim certificates
26 or temporary bonds shall be issued in all respects subject to the restrictions and
27 requirements set forth in this Act. The County may, by appropriate resolution, provide for
28 the replacement of any bonds issued hereunder which shall have become mutilated or lost
29 or destroyed upon such conditions and after receiving such indemnity as the County may
30 require.

31 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
32 issued pursuant to the authority of this Act, their transfer, the interest payable thereon,
33 and any income derived therefrom in the hands of the holders thereof from time to time
34 (including any profit made in the sale thereof) shall be and are hereby declared to be at
35 all times exempt from State, county, municipal, or other taxation of every kind and nature
36 whatsoever within the State of Maryland.

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

40 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
41 money and issue bonds conferred on the County by this Act shall be deemed to provide
42 an additional and alternative authority for borrowing money and shall be regarded as
43 supplemental and additional to powers conferred upon the County by other laws and shall
44 not be regarded as in derogation of any power now existing; and all Acts of the General
45 Assembly of Maryland heretofore passed authorizing the County to borrow money are

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1 hereby continued to the extent that the powers contained in such Acts have not been
2 exercised, and nothing contained in this Act may be construed to impair, in any way, the
3 validity of any bonds that may have been issued by the County under the authority of any
4 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This
5 Act, being necessary for the welfare of the inhabitants of Calvert County, shall be liberally
6 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the
7 provisions of this Act are hereby repealed to the extent of such inconsistency.

8 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 1996.