

---

**By: Delegate Busch**

Introduced and read first time: February 7, 1996  
Assigned to: Commerce and Government Matters

---

Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 20, 1996

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Anne Arundel County - Recreational Facilities Revenue Authority**

3

4 FOR the purpose of authorizing Anne Arundel County to establish a recreational  
5 facilities revenue authority as a public corporation and body politic with certain  
6 powers, rights, and obligations, subject to certain requirements; authorizing such  
7 authority to issue both taxable and tax exempt revenue bonds, notes, and other  
8 evidences of indebtedness; and generally relating to the establishment of a  
9 recreational facilities revenue authority as a public corporation.

10 BY adding to

11 The Public Local Laws of Anne Arundel County  
12 Section 11-101 to be under the new title "Title 11. Recreational Facilities Revenue  
13 Authority" of Article 2  
14 Article 2 - Public Local Laws of Maryland  
15 (1985 Edition and November 1995 Supplement, as amended)

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

18 **Article 2 - Anne Arundel County**

19 Article 2

20 TITLE 11. RECREATIONAL FACILITIES REVENUE AUTHORITY

21 11-101.

22 (A) ANNE ARUNDEL COUNTY, MARYLAND, MAY ESTABLISH BY LOCAL  
23 LEGISLATION A RECREATIONAL FACILITIES REVENUE AUTHORITY.

2

1 (B) THE COUNTY IS AUTHORIZED TO ENACT, BY LOCAL LEGISLATION, THE  
2 PROVISIONS OF THIS SECTION AND PROVISIONS TO SUPPLEMENT THE PROVISIONS  
3 OF THIS SECTION, IF NOT IN CONFLICT WITH THIS SECTION.

4 (C) THE COUNTY MAY:

5 (1) SPECIFY THE ORGANIZATION AND MEMBERSHIP OF THE  
6 RECREATIONAL FACILITIES REVENUE AUTHORITY;

7 (2) SPECIFY THE PURPOSES OF THE RECREATIONAL FACILITIES  
8 REVENUE AUTHORITY;

9 (3) SPECIFY THE POWERS TO BE EXERCISED BY THE RECREATIONAL  
10 FACILITIES REVENUE AUTHORITY;

11 (4) PROVIDE FOR THE EXERCISE OF ALL POWERS, AUTHORITY, RIGHTS,  
12 AND OBLIGATIONS REQUIRED UNDER THIS SECTION; AND

13 (5) SPECIFY ANY OTHER MATTERS RELATED TO THE RECREATIONAL  
14 FACILITIES REVENUE AUTHORITY AS THE COUNTY MAY DETERMINE.

15 (D) LOCAL LEGISLATION ESTABLISHING THE RECREATIONAL FACILITIES  
16 REVENUE AUTHORITY SHALL CONTAIN THE FOLLOWING PROVISIONS:

17 (1) A PROVISION ESTABLISHING THE RECREATIONAL FACILITIES  
18 REVENUE AUTHORITY AS A BODY CORPORATE AND POLITIC, WHICH SHALL BE  
19 DEEMED AN INSTRUMENTALITY OF THE COUNTY AND A PUBLIC CORPORATION;

20 (2) A PROVISION ESTABLISHING THE PURPOSES OF THE RECREATIONAL  
21 FACILITIES REVENUE AUTHORITY;

22 (3) A PROVISION ESTABLISHING THE POWERS TO BE EXERCISED BY THE  
23 RECREATIONAL FACILITIES REVENUE AUTHORITY, TO INCLUDE ALL POWERS  
24 NECESSARY OR CONVENIENT FOR CARRYING OUT ITS PURPOSES;

25 (4) A PROVISION ESTABLISHING REGULATIONS RELATIVE TO MEMBERS  
26 AND EMPLOYEES;

27 (5) A PROVISION ESTABLISHING THAT THE RECREATIONAL FACILITIES  
28 REVENUE AUTHORITY MAY PROVIDE BY RESOLUTION FOR THE ISSUANCE OF  
29 NEGOTIABLE, TAXABLE AND TAX EXEMPT REVENUE BONDS, REVENUE REFUNDING  
30 BONDS, AND OTHER EVIDENCES OF INDEBTEDNESS TO PAY ALL OR PART OF THE  
31 COST OR PURCHASE PRICE OF ONE OR MORE PROJECTS OR TO REFUND  
32 OUTSTANDING REVENUE BONDS, WHICH REVENUE BONDS MAY BE ISSUED  
33 WITHOUT AN ELECTION REFERENDUM OR ANY OTHER PROCEEDINGS OR THE  
34 OCCURRENCE OF ANY OTHER CONDITIONS OR EVENTS;

35 (6) A PROVISION ESTABLISHING THAT THE REVENUE BOND PROCEEDS  
36 ARE TRUST FUNDS FOR THE PURPOSES FOR WHICH THE BONDS ARE AUTHORIZED;

37 (7) A PROVISION ESTABLISHING A LIEN ON THE REVENUE BOND  
38 PROCEEDS IN FAVOR OF THE HOLDERS OF ANY BONDS OR ANY TRUSTEE UNTIL THE

3

1 MONEYS ARE APPLIED TO THE PURPOSES FOR WHICH THE BONDS ARE  
2 AUTHORIZED;

3 (8) A PROVISION ESTABLISHING THAT THE RECREATIONAL FACILITIES  
4 REVENUE AUTHORITY MAY SECURE ANY REVENUE BOND ISSUED TO PROVIDE  
5 FUNDS FOR ANY PROJECT BY A TRUST INDENTURE BETWEEN THE AUTHORITY AND  
6 A CORPORATE TRUSTEE;

7 (9) A PROVISION ESTABLISHING THAT THE RECREATIONAL FACILITIES  
8 REVENUE AUTHORITY MAY FIX RATES, FEES, RENTS, AND CHARGES FOR THE USE  
9 OF ANY OF ITS PROJECTS SUFFICIENT TO OPERATE AND MAINTAIN THE PROJECT,  
10 PAY THE PRINCIPAL OF AND INTEREST ON ITS BONDS, AND MAINTAIN A SINKING  
11 FUND PLEDGED AND CHARGED WITH THE PAYMENT OF INTEREST ON THE  
12 PRINCIPAL OF THE BONDS, ADMINISTRATIVE CHARGES BY THE DEPOSITORY OF THE  
13 FUND PAYING SUCH PRINCIPAL AND INTEREST, AND ANY PREMIUM ON THE BONDS  
14 RETIRED BY CALL OR PURCHASE;

15 (10) A PROVISION ESTABLISHING THAT EXCEPT FOR REVENUES  
16 REQUIRED TO PAY THE COST OF OPERATING AND MAINTAINING ANY PROJECT AND  
17 PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND MAINTAIN THE SINKING  
18 FUND, ALL OTHER REVENUES MAY BE PLACED IN A FUND PLEDGED AND CHARGED  
19 WITH FINANCING PROJECTS DEVOTED WHOLLY OR PARTIALLY FOR PUBLIC  
20 RECREATIONAL USE, INCLUDING, ~~BUT NOT LIMITED TO,~~ PARKS, SWIMMING POOLS,  
21 NO MORE THAN THREE GOLF COURSES, TENNIS COURTS, ~~ARENAS, STADIUMS~~ AND  
22 RECREATIONAL FACILITIES;

23 (11) A PROVISION ESTABLISHING THE RIGHTS AND REMEDIES OF  
24 BONDHOLDERS;

25 (12) A PROVISION ESTABLISHING THAT UNLESS OTHERWISE PROVIDED  
26 IN THE RESOLUTION AUTHORIZING ANY ISSUE OF BONDS, OR UNLESS OTHERWISE  
27 PROVIDED IN THE TRUST INDENTURE THAT SECURES THE BONDS, ALL MONEYS BE  
28 DEPOSITED BY THE RECREATIONAL FACILITIES REVENUE AUTHORITY IN ONE OR  
29 MORE BANKS OR TRUST COMPANIES IN ONE OR MORE SPECIAL ACCOUNTS;

30 (13) A PROVISION ESTABLISHING THAT THE RECREATIONAL FACILITIES  
31 REVENUE AUTHORITY MUST HAVE AN ANNUAL EXAMINATION OF ITS BOOKS,  
32 ACCOUNTS, AND RECORDS BY A CERTIFIED PUBLIC ACCOUNTANT; AND

33 (14) A PROVISION ESTABLISHING THAT THE RECREATIONAL FACILITIES  
34 REVENUE AUTHORITY IS PERFORMING AN ESSENTIAL GOVERNMENTAL FUNCTION  
35 AND IS NOT REQUIRED TO PAY ANY TAX OR ASSESSMENT ON ANY FACILITY OR  
36 PART OF A FACILITY, ACTIVITIES IN THE OPERATION OF ANY FACILITY, ANY  
37 REVENUES FROM OPERATION OF ANY FACILITY OR PROJECT, OR THE BONDS OF  
38 THE AUTHORITY OR THE INTEREST ON THEM.

39 (E) THE STATE DOES HEREBY PLEDGE TO AND AGREE WITH ANY PERSON,  
40 FIRM OR CORPORATION, OR FEDERAL AGENCY SUBSCRIBING TO OR ACQUIRING  
41 THE REVENUE BONDS TO BE ISSUED BY THE RECREATIONAL FACILITIES REVENUE  
42 AUTHORITY FOR THE CONSTRUCTION, EXTENSION, IMPROVEMENT, EQUIPPING,  
43 FURNISHING OR ENLARGEMENT OF ANY PROJECT OR PART THEREOF THAT THE

4

1 STATE SHALL NOT LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN THE  
2 AUTHORITY UNTIL ANY REVENUE BONDS ISSUED BY THE AUTHORITY, TOGETHER  
3 WITH THE INTEREST THEREON, ARE FULLY MET AND DISCHARGED, IT BEING THE  
4 INTENT OF THIS SECTION THAT THE AUTHORITY SHALL CONTINUE TO HAVE AND  
5 MAY EXERCISE ALL POWERS HEREIN GRANTED, SO LONG AS THE SAME SHALL BE  
6 NECESSARY OR DESIRABLE FOR THE CARRYING OUT OF THE PURPOSES OF THIS  
7 SECTION.

8 (F) NO PROVISION OF THE COUNTY CHARTER OR OTHER COUNTY LAW  
9 REGARDING THE DUTIES, POWERS, OR ORGANIZATION OF THE RECREATIONAL  
10 FACILITIES REVENUE AUTHORITY APPLY TO THE AUTHORITY, UNLESS THE COUNTY  
11 EXPRESSLY PROVIDES BY LAW THAT THE CHARTER PROVISION OR LAW APPLIES TO  
12 THE AUTHORITY.

13 (G) THE COUNTY EXECUTIVE WITH THE APPROVAL OF THE COUNTY  
14 COUNCIL IS HEREBY AUTHORIZED AND EMPOWERED TO CONVEY TO THE  
15 RECREATIONAL FACILITIES REVENUE AUTHORITY THE COUNTY'S TITLE TO ANY  
16 LANDS, STREETS, ALLEYS, BUILDING, FACILITIES, OR OTHER PUBLIC PLACES.

17 (H) THE COUNTY EXECUTIVE WITH THE APPROVAL OF THE COUNTY  
18 COUNCIL IS HEREBY AUTHORIZED AND EMPOWERED TO ADVANCE OR ASSIGN TO  
19 THE RECREATIONAL FACILITIES REVENUE AUTHORITY ANY RATES, RENTALS, FEES,  
20 OR CHARGES NOW BEING OR HEREINAFTER RECEIVED BY THE COUNTY, SUCH  
21 ADVANCE OR ASSIGNMENT TO BE MADE FOR THE PURPOSE OF PROVIDING  
22 ADDITIONAL SECURITY FOR ANY BONDS TO BE ISSUED BY THE AUTHORITY OR FOR  
23 SUCH OTHER PURPOSES AS MAY BE AGREED BETWEEN THE AUTHORITY AND THE  
24 COUNTY.

25 (I) (1) THE COUNTY COUNCIL IS HEREBY AUTHORIZED AND EMPOWERED  
26 TO ADVANCE TO THE RECREATIONAL FACILITIES REVENUE AUTHORITY FROM THE  
27 GENERAL FUNDS OF THE COUNTY, SUMS TO BE USED BY THE AUTHORITY TO  
28 DEFRAY EXPENSES FOR INVESTIGATION, ENGINEERING AND ARCHITECTURAL  
29 STUDIES, OPINIONS, AND COMPENSATION OF EMPLOYEES AND COUNSEL WHICH  
30 MAY BE INCURRED PRIOR TO SALE OF ITS REVENUE BONDS.

31 (2) ADVANCES SHALL BE REPAID OUT OF THE FIRST PROCEEDS OF THE  
32 SALE OF REVENUE BONDS BY THE RECREATIONAL FACILITIES REVENUE  
33 AUTHORITY FOLLOWING ANY SUCH ADVANCE.

34 (3) THE ADVANCES MAY BE MADE IN ACCORDANCE WITH SUBSECTION  
35 (K) OF THIS SECTION.

36 (J) THE RECREATIONAL FACILITIES REVENUE AUTHORITY ESTABLISHED BY  
37 THE COUNTY MAY ISSUE REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF  
38 INDEBTEDNESS ON BEHALF OF THE COUNTY FOR PUBLIC RECREATIONAL PURPOSES  
39 OF THE AUTHORITY.

40 (K) (1) THE REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF  
41 INDEBTEDNESS ISSUED UNDER THE PROVISIONS OF THIS SECTION MAY NOT BE  
42 DEEMED TO CONSTITUTE A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND

5

1 CREDIT OF THE COUNTY OR OF THE STATE OF MARYLAND OR ANY POLITICAL  
2 SUBDIVISION OF THE STATE OF MARYLAND.

3 (2) THE REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF  
4 INDEBTEDNESS SHALL BE PAYABLE FROM THE FUNDS OF THE RECREATIONAL  
5 FACILITIES REVENUE AUTHORITY PROVIDED FROM REVENUES OF THE PROJECT OR  
6 PROJECTS OF THE AUTHORITY.

7 (3) ALL REVENUE BONDS SHALL CONTAIN A STATEMENT ON THEIR  
8 FACE TO THE EFFECT THAT THE FULL FAITH AND CREDIT OF THE STATE, COUNTY,  
9 OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS NOT PLEDGED TO PAY  
10 BONDS OR THE INTEREST THEREON.

11 (4) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (5) OF THIS  
12 SUBSECTION, THE ISSUANCE OF THE REVENUE BONDS, CERTIFICATES, OR OTHER  
13 EVIDENCES OF INDEBTEDNESS UNDER THE PROVISIONS OF THIS SECTION MAY NOT  
14 DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE COUNTY TO LEVY OR  
15 PLEDGE ANY FORM OF TAXATION OR ANY APPROPRIATION FOR THEIR PAYMENT.

16 (5) THE COUNTY EXECUTIVE MAY, WITH THE APPROVAL OF THE  
17 COUNTY COUNCIL, COLLATERALLY AGREE TO PROVIDE SUFFICIENT MONEYS FROM  
18 THE GENERAL FUND OF THE COUNTY TO PAY ANY DEFICIENCY IN THE DEBT  
19 SERVICE REQUIREMENTS OF SUCH BONDS FOR ANY YEAR IN WHICH THERE IS A  
20 DEFICIT.

21 (6) AN ADVANCE OF MONEYS FROM THE GENERAL FUND OF THE  
22 COUNTY SHALL BE REPAID FROM THE RECEIPTS, RENTALS, OR REVENUES OF THE  
23 RECREATIONAL FACILITIES REVENUE AUTHORITY IN THE NEXT SUCCEEDING YEAR  
24 IN WHICH SUCH RECEIPTS, RENTALS, OR REVENUES EXCEED DEBT SERVICE  
25 REQUIREMENTS AND OPERATING EXPENSES.

26 (7) AN ADVANCE OF MONEYS FROM THE GENERAL FUND OF THE  
27 COUNTY UNDER ANY AGREEMENT OR AGREEMENTS SHALL NOT EXCEED, BUT  
28 SHALL BE LIMITED AND RESTRICTED TO, A MAXIMUM AMOUNT ESTABLISHED BY  
29 LOCAL LEGISLATION, OR IN THE ABSENCE OF LOCAL LEGISLATION, A MAXIMUM  
30 PAYMENT BY THE COUNTY OF \$25,000.00 FOR ANY ONE FISCAL YEAR.

31 (L) (1) REVENUE BONDS ISSUED BY THE RECREATIONAL FACILITIES  
32 REVENUE AUTHORITY AUTHORIZED BY THIS SECTION ARE HEREBY MADE  
33 SECURITIES IN WHICH ALL PUBLIC OFFICERS AND PUBLIC AGENCIES OF THE STATE  
34 AND ITS POLITICAL SUBDIVISIONS, AND ALL BANKS, TRUST COMPANIES, SAVINGS  
35 AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, AND OTHERS CARRYING ON A  
36 BANKING BUSINESS, ALL INSURANCE COMPANIES AND INSURANCE ASSOCIATIONS  
37 AND OTHERS CARRYING ON A BANKING BUSINESS, ALL ADMINISTRATORS,  
38 EXECUTORS, GUARDIANS, TRUSTEES AND OTHER FIDUCIARIES, AND ALL OTHER  
39 PERSONS MAY LEGALLY AND PROPERLY INVEST FUNDS, INCLUDING CAPITAL, IN  
40 THEIR CONTROL OR BELONGING TO THEM.

41 (2) REVENUE BONDS ISSUED BY THE RECREATIONAL FACILITIES  
42 REVENUE AUTHORITY ARE HEREBY MADE SECURITIES WHICH MAY PROPERLY AND  
43 LEGALLY BE DEPOSITED WITH AND RECEIVED BY ANY STATE OR MUNICIPAL

6

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

4 (M) THE TAX EXEMPT BONDS, NOTES, AND OTHER EVIDENCES OF  
5 INDEBTEDNESS ISSUED BY THE RECREATIONAL FACILITIES REVENUE AUTHORITY,  
6 THEIR TRANSFER, THE INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED  
7 FROM THEM, INCLUDING ANY PROFIT REALIZED IN THEIR SALE OR EXCHANGE,  
8 SHALL BE EXEMPT AT ALL TIMES FROM TAXATION BY THE STATE, OR BY ANY OF ITS  
9 COUNTIES, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF ANY KIND.

10 (N) THE BONDS, NOTES, AND OTHER EVIDENCES OF INDEBTEDNESS ISSUED  
11 BY THE RECREATIONAL FACILITIES REVENUE AUTHORITY ESTABLISHED BY THE  
12 COUNTY SHALL BE EXEMPT FROM THE PROVISIONS OF ARTICLE 31, §§ 9, 10, AND 11  
13 OF THE ANNOTATED CODE OF MARYLAND, OR ANY SUCCESSOR PROVISION.

14 (O) THE RECREATIONAL FACILITIES REVENUE AUTHORITY ESTABLISHED BY  
15 THE COUNTY MAY ACQUIRE REAL AND PERSONAL PROPERTY AND INTERESTS IN  
16 REAL AND PERSONAL PROPERTY WITHIN OR OUTSIDE OF THE COUNTY AND MAY  
17 PLEDGE, MORTGAGE, ENCUMBER, SELL, LEASE, TRANSFER, OR CONVEY ANY  
18 INTEREST IN ITS REAL AND PERSONAL PROPERTY TO THE COUNTY OR ANY PERSON.

19 (P) EARNINGS OF THE RECREATIONAL FACILITIES REVENUE AUTHORITY  
20 ESTABLISHED BY THE COUNTY MAY NOT ENURE TO THE BENEFIT OF PRIVATE  
21 PERSONS.

22 (Q) IN THE EVENT OF DISSOLUTION OF THE RECREATIONAL FACILITIES  
23 REVENUE AUTHORITY ESTABLISHED BY THE COUNTY, THE TITLE TO ALL  
24 PROPERTY FINANCED BY THE PROCEEDS OF BONDS, NOTES, OR OTHER EVIDENCES  
25 OF INDEBTEDNESS ISSUED BY THE AUTHORITY SHALL REVERT TO THE COUNTY.

26 (R) (1) IT IS THE INTENT OF THIS SECTION THAT THE RECREATIONAL  
27 FACILITIES REVENUE AUTHORITY ESTABLISHED BY THE COUNTY BE A  
28 "CONSTITUTED AUTHORITY" WITHIN THE MEANING OF THE INTERNAL REVENUE  
29 CODE OF 1986, AS AMENDED, AND THE RELEVANT REGULATIONS, RULINGS, AND  
30 PROCEDURES.

31 (2) THE POWERS OF THE RECREATIONAL FACILITIES REVENUE  
32 AUTHORITY SHALL BE CONSTRUED TO GIVE EFFECT TO THIS INTENT.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 October 1, 1996.

