
By: Carroll County Delegation

Introduced and read first time: February 9, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Carroll County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of Carroll
4 County, from time to time, to borrow not more than \$22,000,000 in order to finance
5 the construction, improvement, or development of certain public facilities in Carroll
6 County, as herein defined, and to effect such borrowing by the issuance and sale at
7 public or private sale of its general obligation bonds in like par amount; empowering
8 the County to fix and determine, by resolution, the form, tenor, interest rate or rates
9 or method of determining the same, terms, conditions, maturities, and all other
10 details incident to the issuance and sale of the bonds; empowering the County to
11 issue refunding bonds for the purchase or redemption of bonds in advance of
12 maturity; empowering and directing the County to levy, impose, and collect,
13 annually, ad valorem taxes in rate and amount sufficient to provide funds for the
14 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 Carroll
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 and public works projects, including, but not limited to,
28 public works projects such as roads, bridges and storm drains, public school buildings and
29 facilities, landfills, Carroll Community College buildings and facilities, public operational
30 buildings and facilities such as buildings and facilities for County administrative use,
31 public safety, health and social services, libraries, refuse disposal buildings and facilities,
32 and parks and recreation buildings and facilities, together with the costs of acquiring land
33 or interests in land as well as any related architectural, financial, legal, planning, or
34 engineering services.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
2 authorized to finance any part or all of the costs of the public facilities described in
3 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
4 one time or from time to time, in an amount not exceeding, in the aggregate, \$22,000,000
5 and to evidence such borrowing by the issuance and sale upon its full faith and credit of
6 general obligation bonds in like par amount, which may be issued at onetime or from
7 time to time, in one or more groups or series, as the County may determine.

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

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

43 The County may enter into agreements with agents, banks, fiduciaries, insurers, or
44 others for the purpose of enhancing the marketability of any security for the bonds and
45 for the purpose of securing any tender option that may be granted to holders of the
46 bonds, all as may be determined and presented in the aforesaid resolution, which may

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1 (but need not) state as security for the performance by the County of any monetary
2 obligations under such agreements the same security given by the County to bondholders
3 for the performance by the County of its monetary obligations under the bonds.

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

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

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

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

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

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

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

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

38 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
39 money and issue bonds conferred on the County by this Act shall be deemed to provide
40 an additional and alternative authority for borrowing money and shall be regarded as
41 supplemental and additional to powers conferred upon the County by other laws and shall
42 not be regarded as in derogation of any power now existing; and all Acts of the General
43 Assembly of Maryland heretofore passed authorizing the County to borrow money are
44 hereby continued to the extent that the powers contained in such Acts have not been
45 exercised, and nothing contained in this Act may be construed to impair, in any way, the
46 validity of any bonds that may have been issued by the County under the authority of any

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1 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This
2 Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally
3 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the
4 provisions of this Act are hereby repealed to the extent of such inconsistency.

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