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**By: Senator Haines (Carroll County Delegation)**

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 1996

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CHAPTER \_\_\_\_

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~~ \$15,000,000 in  
5 order to finance the construction, improvement, or development of certain public  
6 facilities in Carroll County, as herein defined, and to effect such borrowing by the  
7 issuance and sale at public or private sale of its general obligation bonds in like par  
8 amount; empowering the County to fix and determine, by resolution, the form,  
9 tenor, interest rate or rates or method of determining the same, terms, conditions,  
10 maturities, and all other details incident to the issuance and sale of the bonds;  
11 empowering the County to issue refunding bonds for the purchase or redemption of  
12 bonds in advance of maturity; empowering and directing the County tolevy, impose,  
13 and collect, annually, ad valorem taxes in rate and amount sufficient to provide  
14 funds for the payment of the maturing principal of and interest on the bonds;  
15 exempting the bonds and refunding bonds and the interest thereon andany income  
16 derived therefrom from all State, county, municipal, and other taxation in the State  
17 of 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 ofCarroll  
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

2

1 facilities, landfills, Carroll Community College buildings and facilities, public operational  
2 buildings and facilities such as buildings and facilities for County administrative use,  
3 public safety, health and social services, libraries, refuse disposal buildings and facilities,  
4 and parks and recreation buildings and facilities, together with the costs of acquiring land  
5 or interests in land as well as any related architectural, financial, legal, planning, or  
6 engineering services.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
8 authorized to finance any part or all of the costs of the public facilities described in  
9 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at  
10 one time or from time to time, in an amount not exceeding, in the aggregate, ~~\$22,000,000~~  
11 \$15,000,000 and to evidence such borrowing by the issuance and sale upon its full faith  
12 and credit of general obligation bonds in like par amount, which may be issued at one  
13 time or from time to time, in one or more groups or series, as the County may determine.

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

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

3

1 and sale thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article  
2 31 of the Annotated Code of Maryland.

3           The County may enter into agreements with agents, banks, fiduciaries, insurers, or  
4 others for the purpose of enhancing the marketability of any security for the bonds and  
5 for the purpose of securing any tender option that may be granted to holders of the  
6 bonds, all as may be determined and presented in the aforesaid resolution, which may  
7 (but need not) state as security for the performance by the County of any monetary  
8 obligations under such agreements the same security given by the County to bondholders  
9 for the performance by the County of its monetary obligations under the bonds.

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

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

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

36           SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby  
37 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith  
38 and credit and unlimited taxing power of the County to the payment of the maturing  
39 principal of and interest on the bonds as and when they become payable. In each and  
40 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to  
41 be levied ad valorem taxes upon all the assessable property within the corporate limits of  
42 the County in rate and amount sufficient to provide for or assure the payment, when due,  
43 of the principal of and interest on all the bonds maturing in each such fiscal year and, in  
44 the event the proceeds from the taxes so levied in any such fiscal year shall prove  
45 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year

4

1 to make up any such deficiency. The County may apply to the payment of the principal of  
2 and interest on any bonds issued hereunder any funds received by it from the State of  
3 Maryland, the United States of America, any agency or instrumentality thereof, or from  
4 any other source, if such funds are granted for the purpose of assisting the County in  
5 financing the acquisition, construction, improvement, or development of the public  
6 facilities defined in this Act and, to the extent of any such funds received or receivable in  
7 any fiscal year, the taxes that are required to be levied may be reduced accordingly.

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

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

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

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

1           SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow  
2 money and issue bonds conferred on the County by this Act shall be deemed to provide  
3 an additional and alternative authority for borrowing money and shall be regarded as  
4 supplemental and additional to powers conferred upon the County by other laws and shall  
5 not be regarded as in derogation of any power now existing; and all Acts of the General  
6 Assembly of Maryland heretofore passed authorizing the County to borrow money are  
7 hereby continued to the extent that the powers contained in such Acts have not been  
8 exercised, and nothing contained in this Act may be construed to impair, in any way, the  
9 validity of any bonds that may have been issued by the County under the authority of any  
10 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This  
11 Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally  
12 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the  
13 provisions of this Act are hereby repealed to the extent of such inconsistency.

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