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By: Cecil County Delegation

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CHAPTER ____

1 AN ACT concerning

2 **Cecil County - Public School Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of Cecil
4 County from time to time, to borrow not more than \$5,000,000 in order to finance
5 the cost of certain public school facilities in Cecil County and to effect that
6 borrowing by the issuance and sale at public or private sale of its general obligation
7 bonds in like par amount; empowering the County to fix and determine, by
8 resolution, the form, tenor, interest rate or rates, or method of determining the
9 same, terms, conditions, maturities, and all other details incident to the issuance
10 and sale of the bonds; empowering the County to issue refunding bonds for the
11 purchase or redemption of bonds in advance of maturity; empowering and directing
12 the County to levy, impose, and collect, annually, ad valorem taxes in rate and
13 amount sufficient to provide funds for the payment of the maturing principal of and
14 interest on the bonds; exempting the bonds and refunding bonds, and the interest
15 thereon and any income derived therefrom, from all State, county, municipal, and
16 other taxation in the State of Maryland; and relating generally to the issuance and
17 sale of the bonds.

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That, as used in this Act, the term "County" means the body politic and
20 corporate of the State of Maryland known as the County Commissioners of Cecil County;
21 and the term "public school facilities" means the costs of planning, designing, renovation,
22 repair, reconstruction and construction projects and other capital improvements to Cecil
23 County public schools, including any related architectural, financial, legal, planning, or
24 engineering services.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
26 authorized to finance any part or all of the costs of public school facilities and to borrow

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1 money and incur indebtedness for that purpose, at one time or from time to time, in an
2 amount not exceeding, in the aggregate, \$5,000,000 and to evidence its borrowing by the
3 issuance and sale upon its full faith and credit of general obligation bonds in like par
4 amount, which may be issued at one time or from time to time, in one or more groups or
5 series, as the County may determine.

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

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

29 In case any officer whose signature appears on any bond ceases to be such officer
30 before delivery, the signature shall nevertheless be valid and sufficient for all purposes as
31 if the officer had remained in office until delivery. The bonds and their issue and sale
32 shall be exempt from the provisions of Sections 9, 10, and 11 of Article 31 of the
33 Annotated Code of Maryland.

34 If the County determines in the resolution to offer any of the bonds by solicitation
35 of competitive bids at public sale, the resolution shall fix the terms and conditions of the
36 public sale and shall adopt a form of notice of sale, which shall outline the terms and
37 conditions, and a form of advertisement, which shall be published in one or more daily or
38 weekly newspapers having a general circulation in Cecil County and which may also be
39 published in one or more journals having a circulation primarily among banks and
40 investment bankers. At least one publication of the advertisement shall be made not less
41 than 10 days before the sale of bonds.

42 Upon delivery of any bonds to the purchaser or purchasers, payment shall be made
43 to the Treasurer of Cecil County or such other official of Cecil County as may be
44 designated to receive payment in a resolution adopted by the County before delivery.

1 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
2 sale of the bonds shall be used and applied exclusively and solely for the public school
3 facilities for which the bonds are sold. If the net proceeds of the sale of any issue of bonds
4 exceeds the amount needed to finance the public school facilities described in the
5 resolution, the excess funds shall be applied to the payment of the next principal maturity
6 of the bonds or to the redemption of any part of the bonds which have been made
7 redeemable or to the purchase and cancellation of bonds, unless the County in its
8 discretion adopts a resolution allocating the excess funds to the construction,
9 improvement, or development of other public facilities.

10 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
11 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith
12 and credit and unlimited taxing power of the County to the payment of the maturing
13 principal of and interest on the bonds as and when they become payable. In each and
14 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to
15 be levied ad valorem taxes upon all the assessable property within the corporate limits of
16 Cecil County in rate and amount sufficient to provide for or assume the payment, when
17 due, of the principal of and interest on all the bonds maturing in each such fiscal year
18 and, if the proceeds from the taxes so levied in any fiscal year prove inadequate for such
19 payment, additional taxes shall be levied in the succeeding fiscal year to make up any
20 deficiency. The County may apply to the payment of the principal of and interest on any
21 bonds issued under this Act any funds received by it from the State of Maryland, the
22 United States of America, any agency or instrumentality of either, or from any other
23 source. If such funds are granted for the purpose of assisting the County in financing the
24 construction, improvement, development, or renovation of the public school facilities
25 defined in this Act and, to the extent of any such funds received or receivable in any fiscal
26 year, taxes that might otherwise be required to be levied under this Act may be reduced
27 or need not be levied.

28 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby
29 further authorized and empowered, at any time and from time to time, to issue its bonds
30 in the manner hereinabove described for the purpose of refunding, upon purchase or
31 redemption, any bonds issued under this Act. The validity of any refunding bonds is in no
32 way dependent upon or related to the validity or invalidity of the obligations being
33 refunded. The powers granted under this Act with respect to the issuance of bonds shall
34 be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by
35 the County for the purpose of providing it with funds to purchase in the open market any
36 of its outstanding bonds issued under this Act, prior to their maturity, or for the purpose
37 of providing it with funds for the redemption prior to maturity of any outstanding bonds
38 which are, by their terms, redeemable. The proceeds of the sale of any refunding bonds
39 shall be segregated and set apart by the County as a separate trust fund to be used solely
40 for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

41 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
42 the preparation of definitive bonds, issue interim certificates or temporary bonds,
43 exchangeable for definitive bonds when such bonds have been executed and are available
44 for delivery. The County may, by appropriate resolution, provide for the replacement of
45 any bonds issued under this Act which may have become mutilated or lost or destroyed

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1 upon whatever conditions and after receiving whatever indemnity as the County may
2 require.

3 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
4 issued under this Act, their transfer, the interest payable on them, and any income
5 derived from them from time to time (including any profit made in their sale) shall be and
6 are hereby declared to be at all times exempt from State, county, municipal or other
7 taxation of every kind and nature whatsoever within the State of Maryland.

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

11 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
12 money and issue bonds conferred on the County by this Act shall be deemed to provide
13 additional, alternative and supplemental authority for borrowing money and shall be
14 regarded as supplemental and additional to powers conferred upon the County by other
15 laws and may not be regarded as in derogation of any power now existing; and all
16 previously enacted laws authorizing the County to borrow money are hereby continued to
17 the extent that the power contained in them is continuing or has not been exercised,
18 unless any law is expressly repealed by this Act, and the validity of any bonds issued under
19 previously enacted laws is hereby ratified, confirmed and approved. This Act, being
20 necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to
21 effect its purposes. All Acts and parts of Acts inconsistent with the provisions of this Act
22 are hereby repealed to the extent of any inconsistency.

23 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect June 1, 1997.