
By: Montgomery County and Prince George's County Delegations

Introduced and read first time: January 31, 1997

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission - Equipment - Bond Authorization**

3 **MC/PG 16-97**

4 FOR the purpose of authorizing the Washington Suburban Sanitary Commission to issue
5 certain bonds for the purchase and acquisition of certain equipment under certain
6 circumstances and subject to certain conditions; making stylistic changes; and
7 generally relating to the Washington Suburban Sanitary Commission and its bond
8 issuing authority.

9 BY repealing and reenacting, with amendments,

10 Article 29 - Washington Suburban Sanitary District

11 Section 4-101(a)(1)

12 Annotated Code of Maryland

13 (1993 Replacement Volume and 1996 Supplement)

14 BY adding to

15 Article 29 - Washington Suburban Sanitary District

16 Section 4-101(e)

17 Annotated Code of Maryland

18 (1993 Replacement Volume and 1996 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article 29 - Washington Suburban Sanitary District**

22 4-101.

23 (a) (1) (I) For the purpose of providing funds for the design, construction,
24 reconstruction, establishment, extension, enlargement, purchase or condemnation of the
25 water and sewerage systems in the sanitary district, or in any other areas where extension
26 of any of [the aforementioned] THOSE systems may be authorized by law, or for the
27 construction, remodeling, enlargement or replacement of any office or operating building
28 or buildings required for the administration or operation of any of the systems, including
29 the acquisition of land or equipment, the WSSC [is authorized and empowered to] MAY

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1 issue bonds of the sanitary district, from time to time, in such amounts as it may deem
2 necessary to carry on its work[, but the].

3 (II) SUBJECT TO SUBSECTION (E) OF THIS SECTION, FOR THE
4 PURPOSE OF PROVIDING FUNDS FOR THE ACQUISITION OR PURCHASE OF CAPITAL
5 EQUIPMENT SUCH AS TRUCKS, FLEET VEHICLES, COMPUTERS, LABORATORY AND
6 MAINTENANCE EQUIPMENT, AND OTHER EQUIPMENT USED BY THE WSSC IN
7 PROVIDING SERVICES TO CUSTOMERS, THE WSSC MAY ISSUE BONDS OF THE
8 SANITARY DISTRICT, FROM TIME TO TIME, IN SUCH AMOUNTS AS IT MAY DEEM
9 NECESSARY TO CARRY ON ITS WORK.

10 (III) THE aggregate amount of bonds heretofore or hereafter issued
11 under this section which may be outstanding at any time, less the amount held in the joint
12 sinking fund account for the payment of the principal of the bonds, [shall] MAY not
13 exceed [14 percent] 14% of the total assessable basis of all property assessed for county
14 taxation purposes within the sanitary district; provided, however, that in computing the
15 amount of bonds which may be issued under this section, there [shall] MAY not be
16 included any bonds heretofore or hereafter issued for the payment of which the WSSC is
17 required by law to fix and collect water service charges at least sufficient to pay the
18 principal and interest requirements of such bonds.

19 (IV) Bonds hereafter issued under [the authority of] this section shall
20 be serial bonds with the principal of any given issue payable annually, commencing not
21 more than 3 years from the date of ISSUE OF the bonds.

22 (V) The bonds may be either registered or coupon bonds, or
23 registerable as to principal with interest represented by coupons and issued in such
24 denomination or denominations as shall be determined by the WSSC, shall bear interest
25 as provided in § 4-104 of this title payable semi-annually and shall mature [not
26 exceeding] NO LATER THAN 40 years [from] AFTER the date of issue[, and all] OF
27 THE BONDS.

28 (VI) ALL bonds of the sanitary district or of the WSSC, including those
29 heretofore issued, shall be forever exempt from taxation by the State of Maryland and by
30 the counties and municipalities in the State.

31 (VII) Any bonds hereafter issued by the WSSC in its name or in the
32 name of the sanitary district may be made redeemable before maturity at the option of
33 the WSSC, at such price or prices and under such terms and conditions as may be fixed by
34 the WSSC prior to the issuance of such bonds.

35 (E) AS TO BONDS ISSUED UNDER SUBSECTION (A)(1)(II) OF THIS SECTION, IN
36 ADDITION TO THE CONDITIONS AND LIMITATIONS OTHERWISE PROVIDED IN THIS
37 SECTION:

38 (1) THE BONDS MAY BE ISSUED ONLY TO FINANCE THE ACQUISITION
39 OR PURCHASE OF EQUIPMENT WITH A USEFUL LIFE OF 4 TO 7 YEARS, THAT WSSC
40 EXPECTS TO FINANCE OVER A PERIOD OF 4 YEARS OR LESS, AND FOR WHICH WSSC
41 SHALL BUDGET ACCORDINGLY;

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1 (2) THE PRINCIPAL OF ANY GIVEN BOND ISSUE SHALL BE PAYABLE
2 ANNUALLY STARTING NOT MORE THAN 1 YEAR AFTER THE DATE OF ISSUE OF THE
3 BONDS;

4 (3) THE BONDS SHALL MATURE NOT MORE THAN 4 YEARS AFTER THE
5 DATE OF ISSUE OF THE BONDS; AND

6 (4) THE AGGREGATE AMOUNT OF BONDS OUTSTANDING AT ANY TIME
7 MAY NOT EXCEED \$15,000,000, SUBJECT TO ANNUAL UPWARD ADJUSTMENT IN
8 ACCORDANCE WITH THE CONSUMER PRICE INDEX - ALL URBAN CONSUMERS
9 (CPI-U), FOR THE WASHINGTON, DC-MD-VA METROPOLITAN AREA, OVER THE BASE
10 YEAR 1997.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 June 1, 1997.