
By: Montgomery County and Prince George's County Delegations

Introduced and read first time: January 31, 1997

Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 1997

CHAPTER ____

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:

2

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

2 4-101.

3 (a) (1) (I) For the purpose of providing funds for the design, construction,
 4 reconstruction, establishment, extension, enlargement, purchase or condemnation of the
 5 water and sewerage systems in the sanitary district, or in any other areas where extension
 6 of any of [the aforementioned] THOSE systems may be authorized by law, or for the
 7 construction, remodeling, enlargement or replacement of any office or operating building
 8 or buildings required for the administration or operation of any of the systems, including
 9 the acquisition of land or equipment, the WSSC [is authorized and empowered to] MAY
 10 issue bonds of the sanitary district, from time to time, in such amounts as it may deem
 11 necessary to carry on its work[, but the].

12 (II) SUBJECT TO SUBSECTION (E) OF THIS SECTION, FOR THE
 13 PURPOSE OF PROVIDING FUNDS FOR THE ACQUISITION OR PURCHASE OF CAPITAL
 14 EQUIPMENT ~~SUCH AS TRUCKS, FLEET VEHICLES, COMPUTERS, LABORATORY AND~~
 15 ~~MAINTENANCE EQUIPMENT, AND OTHER EQUIPMENT USED BY THE WSSC IN~~
 16 ~~PROVIDING SERVICES TO CUSTOMERS INCLUDING MAINTENANCE FIELD AND YARD~~
 17 EQUIPMENT, TRUCKS, FLEET VEHICLES, COMPUTER EQUIPMENT,
 18 TELECOMMUNICATION EQUIPMENT, OFFICE EQUIPMENT, AND LABORATORY
 19 EQUIPMENT, THE WSSC MAY ISSUE BONDS OF THE SANITARY DISTRICT, FROM TIME
 20 TO TIME, IN SUCH AMOUNTS AS IT MAY DEEM NECESSARY TO CARRY ON ITS WORK.

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

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

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

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

42 (VII) Any bonds hereafter issued by the WSSC in its name or in the
 43 name of the sanitary district may be made redeemable before maturity at the option of

3

1 the WSSC, at such price or prices and under such terms and conditions as may be fixed by
2 the WSSC prior to the issuance of such bonds.

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

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

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

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

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

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