

CF SB 455

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**By: Carroll County Delegation**

Introduced and read first time: February 6, 1997

Assigned to: Appropriations

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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 \$18,400,000 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, \$18,400,000  
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 one time 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, 1997.