

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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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

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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 \$18,400,000 in order to finance  
5 the construction, improvement, or development of certain public facilities in Carroll  
6 County, as herein defined, to finance fire and emergency related equipment and  
7 buildings or other facilities of volunteer fire departments in Carroll County, and to  
8 effect such borrowing by the issuance and sale at public or private sale of its general  
9 obligation bonds in like par amount; authorizing and empowering the County to  
10 make loans to the volunteer fire departments in Carroll County from proceeds of  
11 such bonds for the purposes specified herein; empowering the County to fix and  
12 determine, by resolution, the form, tenor, interest rate or rates or method of  
13 determining the same, terms, conditions, maturities, and all other details incident to  
14 the issuance and sale of the bonds; empowering the County to issue refunding bonds  
15 for the purchase or redemption of bonds in advance of maturity; empowering and  
16 directing the County to levy, impose, and collect, annually, ad valorem taxes in rate  
17 and amount sufficient to provide funds for the payment of the maturing principal of  
18 and interest on the bonds; exempting the bonds and refunding bonds and the  
19 interest thereon and any income derived therefrom from all State, county,  
20 municipal, and other taxation in the State of Maryland; providing that nothing in  
21 this Act shall prevent the County from authorizing the issuance and sale of bonds  
22 the interest on which is not excludable from gross income for federal income tax  
23 purposes; and relating generally to the issuance and sale of such bonds.

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That, as used herein, the term "County" means the body politic and  
26 corporate of the State of Maryland known as the County Commissioners of Carroll  
27 County, and the term "construction, improvement, or development of public facilities"  
28 means the acquisition, alteration, construction, reconstruction, enlargement, equipping,

2

1 expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of  
2 public buildings and facilities and public works projects, including, but not limited to,  
3 public works projects such as roads, bridges and storm drains, public school buildings and  
4 facilities, landfills, Carroll Community College buildings and facilities, public operational  
5 buildings and facilities such as buildings and facilities for County administrative use,  
6 public safety, health and social services, libraries, refuse disposal buildings and facilities,  
7 and parks and recreation buildings and facilities, together with the costs of acquiring land  
8 or interests in land as well as any related architectural, financial, legal, planning, or  
9 engineering services.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
11 authorized to finance any part or all of the costs of the public facilities described in  
12 Section 1 of this Act, to make loans to each and every volunteer fire department in the  
13 County upon such terms and conditions as may be determined by the County for the  
14 purpose of financing certain fire and emergency related equipment, buildings, or other  
15 facilities of the volunteer fire departments and to borrow money and incur indebtedness  
16 for ~~that purpose~~ those purposes, at one time or from time to time, in an amount not  
17 exceeding, in the aggregate, \$18,400,000 and to evidence such borrowing by the issuance  
18 and sale upon its full faith and credit of general obligation bonds in like par amount,  
19 which may be issued at one time or from time to time, in one or more groups or series, as  
20 the County may determine.

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

1 The bonds may be made redeemable before maturity, at the option of the County, at  
2 such price or prices and under such terms and conditions as may be fixed by the County  
3 prior to the issuance of the bonds, either in the resolution or in subsequent resolutions.  
4 The bonds may be issued in coupon or in registered form or both, and provision may be  
5 made for the registration of the principal only, or of both principal and interest, of bonds  
6 having coupons attached, and for the reconversion of bonds into coupon form if any bond  
7 has been registered as to both principal and interest. In case any officer whose signature  
8 appears on any bond or on any coupon attached thereto ceases to be such officer before  
9 the delivery thereof, such signature shall nevertheless be valid and sufficient for all  
10 purposes as if he had remained in office until such delivery. The bonds and the issuance  
11 and sale thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article  
12 31 of the Annotated Code of Maryland.

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

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

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

32 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the  
33 sale of bonds shall be used and applied or loaned to the volunteer fire departments  
34 exclusively and solely for the acquisition, construction, improvement, or development of  
35 public facilities or for the financing of fire and emergency related equipment or buildings  
36 or other facilities of volunteer fire departments in Carroll County for which the bonds are  
37 sold. If the amounts borrowed shall prove inadequate to finance the projects described in  
38 the resolution, the County may issue additional bonds with the limitations hereof for the  
39 purpose of evidencing the borrowing of additional funds for such financing, provided the  
40 resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds  
41 of the sale of any issue of bonds exceeds the amount needed to finance the projects  
42 described in the resolution, the excess funds so borrowed and not expended shall be  
43 applied to the payment of the next principal maturity of the bonds or to the redemption  
44 of any part of the bonds which have been made redeemable or to the purchase and  
45 cancellation of bonds, unless the County shall adopt a resolution allocating the excess  
46 funds to the acquisition, construction, improvement, or development of other public

4

1 facilities or to the financing of other fire and emergency related equipment or buildings  
2 or other facilities of volunteer fire departments in Carroll County, as defined and within  
3 the limits set forth in this Act.

4 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby  
5 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith  
6 and credit and unlimited taxing power of the County to the payment of the maturing  
7 principal of and interest on the bonds as and when they become payable. In each and  
8 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to  
9 be levied ad valorem taxes upon all the assessable property within the corporate limits of  
10 the County in rate and amount sufficient to provide for or assure the payment, when due,  
11 of the principal of and interest on all the bonds maturing in each such fiscal year and, in  
12 the event the proceeds from the taxes so levied in any such fiscal year shall prove  
13 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year  
14 to make up any such deficiency. The County may apply to the payment of the principal of  
15 and interest on any bonds issued hereunder any funds received by it as loan payments  
16 from the volunteer fire departments and any funds received by it from the State of  
17 Maryland, the United States of America, any agency or instrumentality thereof, or from  
18 any other source, if such funds are granted for the purpose of assisting the County in  
19 financing the acquisition, construction, improvement, or development of the public  
20 facilities defined in this Act or the aforementioned financing of fire and emergency  
21 related equipment or buildings or other facilities of volunteer fire departments in Carroll  
22 County and, to the extent of any such funds received or receivable in any fiscal year, the  
23 taxes that are required to be levied may be reduced accordingly.

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

43 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to  
44 the preparation of definitive bonds, issue interim certificates or temporary bonds, with or  
45 without coupons, exchangeable for definitive bonds when such bonds have been executed  
46 and are available for such delivery, provided, however, that any such interim certificates

5

1 or temporary bonds shall be issued in all respects subject to the restrictions and  
2 requirements set forth in this Act. The County may, by appropriate resolution, provide for  
3 the replacement of any bonds issued hereunder which shall have become mutilated or lost  
4 or destroyed upon such conditions and after receiving such indemnity as the County may  
5 require.

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

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

15 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow  
16 money and issue bonds conferred on the County by this Act shall be deemed to provide  
17 an additional and alternative authority for borrowing money and shall be regarded as  
18 supplemental and additional to powers conferred upon the County by other laws and shall  
19 not be regarded as in derogation of any power now existing; and all Acts of the General  
20 Assembly of Maryland heretofore passed authorizing the County to borrow money are  
21 hereby continued to the extent that the powers contained in such Acts have not been  
22 exercised, and nothing contained in this Act may be construed to impair, in any way, the  
23 validity of any bonds that may have been issued by the County under the authority of any  
24 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This  
25 Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally  
26 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the  
27 provisions of this Act are hereby repealed to the extent of such inconsistency.

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