
By: Charles County Delegation

Introduced and read first time: February 17, 1997

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Charles County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of Charles
4 County, from time to time, to borrow not more than \$20,000,000 in order to finance
5 the cost of certain public facilities in Charles County, as herein defined, and to
6 effect such borrowing by the issuance and sale at public or private sale of its general
7 obligation bonds in like par amount; empowering the County to fix and determine,
8 by 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; providing that nothing in this Act shall
17 prevent the County from authorizing the issuance and sale of bonds the interest on
18 which is not excludable from gross income for federal income tax purposes; and
19 generally relating to the issuance and sale of the bonds by Charles County.

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That, as used herein, the term "County" means the body politic and
22 corporate of the State of Maryland known as the County Commissioners of Charles
23 County; the term "Board" means the Board of County Commissioners of Charles County,
24 the governing body of the County; and the term "public facilities" means the public
25 schools and other public education facilities, Charles County Community College, general
26 government facilities, parks and other public recreation facilities, water and sewage
27 facilities, roads, bridges, and other public transportation facilities, including (without
28 limitation) parking facilities, means of access and utility services, the acquisition and
29 development, as applicable, of land, structures, real or personal property, rights,
30 rights-of-way, easements and other interests for such public facilities, the acquisition and
31 installation of furnishings and equipment for the public facilities, together with any
32 related financing charges, interest prior to and during construction (and, if deemed
33 necessary by the County, for a limited period after completion of construction), interest
34 and reserves for principal and interest and for extensions, enlargements, additions and
35 improvements, architectural, engineering, financial, legal planning and other professional
36 services, plans, specifications, studies, surveys, estimates of cost and of revenues,

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1 administrative expenses necessary or incident to determining the feasibility or
2 practicability of the public facilities and such other expenses as may be necessary or
3 incident to the acquisition, construction, improvement, development, rehabilitation,
4 repair, furnishing and equipping of the public facilities, the financing or refinancing of
5 such acquisition, construction, improvement, development, rehabilitation, repair,
6 furnishing and equipping and placing the public facilities in operation.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
8 authorized to finance any part or all of the costs of the acquisition, construction,
9 improvement, development, rehabilitation, repair, furnishing, and equipping of the public
10 facilities and to borrow money and incur indebtedness for that purpose, at one time or
11 from time to time, in an amount not exceeding, in the aggregate, \$20,000,000 and to
12 evidence such borrowing by the issuance and sale upon its full faith and credit of general
13 obligation bonds in like par amount, which may be issued at one time or from time to
14 time, in one or more groups or series, as the County may determine.

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

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

41 In case any officer whose signature appears on any bond or on any coupon attached
42 thereto ceases to be such officer before the delivery thereof, such signature shall
43 nevertheless be valid and sufficient for all purposes as if he had remained in office until
44 such delivery. The bonds and the issuance and sale thereof shall be exempt from the
45 provisions of Sections 9, 10, and 11 of Article 31 of the Annotated Code of Maryland, as
46 effective from time to time.

1 If the County determines in the resolution to offer any of the bonds by solicitation
2 of competitive bids at public sale, the resolution shall fix the terms and conditions of the
3 public sale and shall adopt a form of notice of sale, which shall outline the terms and
4 conditions, and a form of advertisement, which shall be published in one or more daily or
5 weekly newspapers having a general circulation in the County and which may also be
6 published in one or more journals having a circulation primarily among banks and
7 investment bankers. At least one publication of the advertisement shall be made not less
8 than ten (10) days before the sale of the bonds.

9 Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall
10 be made to the Treasurer of Charles County or such other official of Charles County as
11 may be designated to receive such payment in a resolution adopted by the Board before
12 delivery.

13 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
14 sale of bonds shall be used and applied exclusively and solely for financing the public
15 facilities for which the bonds are sold. If the net proceeds of the sale of any issue of bonds
16 exceeds the amount needed to finance the public facilities described in the resolution, the
17 excess funds so borrowed and not expended shall be applied to the payment of the next
18 principal maturity of the bonds or to the redemption of any part of the bonds which have
19 been made redeemable or to the purchase and cancellation of bonds, unless the Board in
20 its discretion adopts a resolution allocating the excess funds to the costs of other public
21 facilities.

22 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
23 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith
24 and credit and unlimited taxing power of the County to the payment of the maturing
25 principal of and interest on the bonds as and when they become payable. In each and
26 every fiscal year that any of the bonds are outstanding, the County shall levy or cause to
27 be levied ad valorem taxes upon all the assessable property within the corporate limits of
28 the County in rate and amount sufficient to provide for or assure the payment, when due,
29 of the principal of and interest on all the bonds maturing in each such fiscal year and, in
30 the event the proceeds from the taxes so levied in any such fiscal year shall prove
31 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year
32 to make up any such deficiency. The County may apply to the payment of the principal of
33 and interest on any bonds issued hereunder any funds received by it from the State of
34 Maryland, the United States of America, any agency or instrumentality thereof, or from
35 any other source. If such funds are granted for the purpose of assisting the County in
36 financing the public facilities, taxes might otherwise be required to be levied under this
37 Act may be reduced or need not be levied to the extent that any such funds are received
38 or receivable in any fiscal year.

39 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby
40 further authorized and empowered, at any time and from time to time, to issue its bonds
41 in the manner hereinabove described for the purpose of refunding, by payment at
42 maturity or upon purchase or redemption, any bonds issued hereunder. The validity of
43 any such refunding bonds shall in no way be dependent upon or related to the validity or
44 invalidity of the obligations so refunded. The powers herein granted with respect to the
45 issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding
46 bonds may be issued by the County for the purpose of providing it with funds to pay any

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1 of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with
2 funds to purchase in the open market any of its outstanding bonds issued hereunder, prior
3 to the maturity thereof, or for the purpose of providing it with funds for the redemption
4 prior to maturity of any outstanding bonds issued hereunder which are, by their terms,
5 redeemable, for the purpose of providing it with funds to pay interest on any outstanding
6 bonds issued hereunder prior to their payment at maturity of purchase or redemption in
7 advance of maturity, or for the purpose of providing it with funds to pay any redemption
8 or purchase premium in connection with the refunding of any of its outstanding bonds
9 issued hereunder. The proceeds of the sale of any such refunding bonds shall be
10 segregated and set apart by the County as a separate trust fund to be used solely for the
11 purpose of paying the purchase or redemption prices of the bonds to be refunded.

12 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
13 the preparation of definitive bonds, issue interim certificates or temporary bonds, with or
14 without coupons, exchangeable for definitive bonds when such bonds have been executed
15 and are available for such delivery, provided, however, that any such interim certificates
16 or temporary bonds shall be issued in all respects subject to the restrictions and
17 requirements set forth in this Act. The County may, by appropriate resolution, provide for
18 the replacement of any bonds issued hereunder which shall have become mutilated or lost
19 or destroyed upon such conditions and after receiving such indemnity as the County may
20 require.

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

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

30 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
31 money and issue bonds conferred on the County by this Act shall be deemed to provide
32 additional, alternative, and supplemental authority for borrowing money and shall be
33 regarded as supplemental and additional to powers conferred upon the County by other
34 laws and shall not be regarded as in derogation of any power now existing; and all Acts of
35 the General Assembly of Maryland heretofore passed authorizing the County to borrow
36 money are hereby continued to the extent that the powers contained in such Acts have
37 not been exercised, and nothing contained in this Act may be construed to impair, in any
38 way, the validity of any bonds that may have been issued by the County under the
39 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and
40 approved. This Act, being necessary for the welfare of the inhabitants of Charles County,
41 shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts
42 inconsistent with the provisions of this Act are hereby repealed to the extent of such
43 inconsistency.

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

