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**By: Charles County Delegation**

Introduced and read first time: February 17, 1997

Assigned to: Appropriations

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Committee Report: Favorable

House action: Adopted

Read second time: March 20, 1997

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CHAPTER \_\_\_\_

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

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1 development, as applicable, of land, structures, real or personal property, rights,  
2 rights-of-way, easements and other interests for such public facilities, the acquisition and  
3 installation of furnishings and equipment for the public facilities, together with any  
4 related financing charges, interest prior to and during construction (and, if deemed  
5 necessary by the County, for a limited period after completion of construction), interest  
6 and reserves for principal and interest and for extensions, enlargements, additions and  
7 improvements, architectural, engineering, financial, legal planning and other professional  
8 services, plans, specifications, studies, surveys, estimates of cost and of revenues,  
9 administrative expenses necessary or incident to determining the feasibility or  
10 practicability of the public facilities and such other expenses as may be necessary or  
11 incident to the acquisition, construction, improvement, development, rehabilitation,  
12 repair, furnishing and equipping of the public facilities, the financing or refinancing of  
13 such acquisition, construction, improvement, development, rehabilitation, repair,  
14 furnishing and equipping and placing the public facilities in operation.

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

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

45         The County may enter into agreements with agents, banks, fiduciaries, insurers, or  
46 others for the purpose of enhancing the marketability of any security for the bonds and

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1 for the purpose of securing any tender option that may be granted to holders of the  
2 bonds.

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

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

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

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

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 public facilities, taxes might otherwise be required to be levied under this

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1 Act may be reduced or need not be levied to the extent that any such funds are received  
2 or receivable in any fiscal year.

3 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby  
4 further authorized and empowered, at any time and from time to time, to issue its bonds  
5 in the manner hereinabove described for the purpose of refunding, by payment at  
6 maturity or upon purchase or redemption, any bonds issued hereunder. The validity of  
7 any such refunding bonds shall in no way be dependent upon or related to the validity or  
8 invalidity of the obligations so refunded. The powers herein granted with respect to the  
9 issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding  
10 bonds may be issued by the County for the purpose of providing it with funds to pay any  
11 of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with  
12 funds to purchase in the open market any of its outstanding bonds issued hereunder, prior  
13 to the maturity thereof, or for the purpose of providing it with funds for the redemption  
14 prior to maturity of any outstanding bonds issued hereunder which are, by their terms,  
15 redeemable, for the purpose of providing it with funds to pay interest on any outstanding  
16 bonds issued hereunder prior to their payment at maturity of purchase or redemption in  
17 advance of maturity, or for the purpose of providing it with funds to pay any redemption  
18 or purchase premium in connection with the refunding of any of its outstanding bonds  
19 issued hereunder. The proceeds of the sale of any such refunding bonds shall be  
20 segregated and set apart by the County as a separate trust fund to be used solely for the  
21 purpose of paying the purchase or redemption prices of the bonds to be refunded.

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

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

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

40 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow  
41 money and issue bonds conferred on the County by this Act shall be deemed to provide  
42 additional, alternative, and supplemental authority for borrowing money and shall be  
43 regarded as supplemental and additional to powers conferred upon the County by other  
44 laws and shall not be regarded as in derogation of any power now existing; and all Acts of  
45 the General Assembly of Maryland heretofore passed authorizing the County to borrow

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1 money are hereby continued to the extent that the powers contained in such Acts have  
2 not been exercised, and nothing contained in this Act may be construed to impair, in any  
3 way, the validity of any bonds that may have been issued by the County under the  
4 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and  
5 approved. This Act, being necessary for the welfare of the inhabitants of Charles County,  
6 shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts  
7 inconsistent with the provisions of this Act are hereby repealed to the extent of such  
8 inconsistency.

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