
By: **Senators Haines and Ferguson (Carroll County Senators)**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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
4 Carroll County, from time to time, to borrow not more than \$30,390,000 in order
5 to finance the construction, improvement, or development of certain public
6 facilities in Carroll County, as herein defined, including water and sewer
7 projects in Carroll County, to finance fire- and emergency-related equipment
8 and buildings or other facilities of volunteer fire departments in Carroll County,
9 and to finance the Carroll County Agricultural Center, Inc., and to effect such
10 borrowing by the issuance and sale at public or private sale of its general
11 obligation bonds in like par amount; authorizing and empowering the County to
12 make loans to the volunteer fire departments in Carroll County and to the
13 Carroll County Agricultural Center, Inc. from proceeds of such bonds for the
14 purposes specified herein; empowering the County to fix and determine, by
15 resolution, the form, tenor, interest rate or rates or method of determining the
16 same, terms, conditions, maturities, and all other details incident to the
17 issuance and sale of the bonds; empowering the County to issue refunding bonds
18 for the purchase or redemption of bonds in advance of maturity; empowering
19 and directing the County to levy, impose, and collect, annually, ad valorem taxes
20 in rate and amount sufficient to provide funds for the payment of the maturing
21 principal of and interest on the bonds; exempting the bonds and refunding bonds
22 and the interest thereon and any income derived therefrom from all State,
23 county, municipal, and other taxation in the State of Maryland; providing that
24 nothing in this Act shall prevent the County from authorizing the issuance and
25 sale of bonds the interest on which is not excludable from gross income for
26 federal income tax purposes; and relating generally to the issuance and sale of
27 such bonds.

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
29 MARYLAND, That, as used herein, the term "County" means the body politic and
30 corporate of the State of Maryland known as the County Commissioners of Carroll
31 County, and the term "construction, improvement, or development of public facilities"
32 means the acquisition, alteration, construction, reconstruction, enlargement,
33 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,
34 and repair of public buildings and facilities and public works projects, including, but
35 not limited to, public works projects such as roads, bridges and storm drains, public

1 school buildings and facilities, landfills, Carroll Community College buildings and
2 facilities, public operational buildings and facilities such as buildings and facilities for
3 County administrative use, public safety, health and social services, libraries, refuse
4 disposal buildings and facilities, parks and recreation buildings and facilities,
5 including water and sewer projects, together with the costs of acquiring land or
6 interests in land as well as any related architectural, financial, legal, planning, or
7 engineering services.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
9 authorized to finance any part or all of the costs of the public facilities described in
10 Section 1 of this Act up to a total of \$22,490,000, and to finance water and sewer
11 projects up to a total of \$2,900,000, to make loans to each and every volunteer fire
12 department in the County up to a total of \$2,500,000 upon such terms and conditions
13 as may be determined by the County for the purpose of financing certain fire- and
14 emergency-related equipment, buildings, or other facilities of the volunteer fire
15 departments, and to make loans to the Carroll County Agricultural Center, Inc. up to
16 a total of \$ 2,500,000 for the purpose of financing certain capital projects of the
17 Center, and to borrow money and incur indebtedness for all of those purposes, at one
18 time or from time to time, in a total amount not exceeding, in the aggregate,
19 \$30,390,000, and to evidence such borrowing by the issuance and sale upon its full
20 faith and credit of general obligation bonds in like par amount, which may be issued
21 at one time or from time to time, in one or more groups or series, as the County may
22 determine.

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

1 covenants regarding the payment of rebate or penalties in lieu of rebate; covenants
2 relating to compliance with applicable requirements of federal or state securities
3 laws; and generally relating to all matters incident to the terms, conditions, issuance,
4 sale, and delivery thereof.

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

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

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

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

37 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
38 sale of bonds shall be used and applied exclusively and solely for the acquisition,
39 construction, improvement, or development of public facilities, including water and
40 sewer projects, or loaned to the volunteer fire departments for the financing of fire-
41 and emergency-related equipment or buildings or other facilities of volunteer fire
42 departments in Carroll County, or loaned to the Carroll County Agricultural Center,
43 Inc. for the financing of capital projects of the Carroll County Agricultural Center, Inc.
44 for which the bonds are sold. If the amounts borrowed shall prove inadequate to

1 finance the projects described in the resolution, the County may issue additional
2 bonds with the limitations hereof for the purpose of evidencing the borrowing of
3 additional funds for such financing, provided the resolution authorizing the sale of
4 additional bonds shall so recite, but if the net proceeds of the sale of any issue of
5 bonds exceeds the amount needed to finance the projects described in the resolution,
6 the excess funds so borrowed and not expended shall be applied to the payment of the
7 next principal maturity of the bonds or to the redemption of any part of the bonds
8 which have been made redeemable or to the purchase and cancellation of bonds,
9 unless the County shall adopt a resolution allocating the excess funds to the
10 acquisition, construction, improvement, or development of other public facilities,
11 including water and sewer projects, or to the financing of other fire- and
12 emergency-related equipment or buildings or other facilities of volunteer fire
13 departments in Carroll County, or to the financing of other capital projects of the
14 Carroll County Agricultural Center, Inc. as defined and within the limits set forth in
15 this Act.

16 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
17 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
18 faith and credit and unlimited taxing power of the County to the payment of the
19 maturing principal of and interest on the bonds as and when they become payable. In
20 each and every fiscal year that any of the bonds are outstanding, the County shall
21 levy or cause to be levied ad valorem taxes upon all the assessable property within the
22 corporate limits of the County in rate and amount sufficient to provide for or assure
23 the payment, when due, of the principal of and interest on all the bonds maturing in
24 each such fiscal year and, in the event the proceeds from the taxes so levied in any
25 such fiscal year shall prove inadequate for such payment, additional taxes shall be
26 levied in the succeeding fiscal year to make up any such deficiency. The County may
27 apply to the payment of the principal of and interest on any bonds issued hereunder
28 any funds received by it as loan payments from the volunteer fire departments, any
29 funds received by it as loan payments from the Carroll County Agricultural Center,
30 Inc., and any funds received by it from the State of Maryland, the United States of
31 America, any agency or instrumentality thereof, or from any other source, if such
32 funds are granted for the purpose of assisting the County in financing the acquisition,
33 construction, improvement, or development of the public facilities defined in this Act,
34 including the water and sewer projects, or the aforementioned financing of fire- and
35 emergency-related equipment or buildings or other facilities of volunteer fire
36 departments in Carroll County, or the aforementioned financing of the capital
37 projects of the Carroll County Agricultural Center, Inc., and, to the extent of any such
38 funds received or receivable in any fiscal year, the taxes that are required to be levied
39 may be reduced accordingly.

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

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

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

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

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

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

1 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 1998.