
By: **Charles County Delegation**

Introduced and read first time: February 8, 1999

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: March 8, 1999

CHAPTER _____

1 AN ACT concerning

2 **Charles County - Public Facilities Bonds - Charles County Nursing Home**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Charles County, from time to time, to borrow not more than \$2,000,000, in order
5 to finance the cost of certain public facilities in Charles County, as herein
6 defined, and to effect such borrowing by the issuance and sale at public or
7 private sale of its general obligation bonds in like par amount; empowering the
8 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
14 the payment of the maturing principal of and interest on the bonds; exempting
15 the 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
19 excludable from gross income for federal income tax purposes; and generally
20 relating to the issuance and sale of the bonds by Charles County.

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 Charles
24 County; the term "Board" means the Board of County Commissioners of Charles
25 County, the governing body of the County; and the term "public facilities" means the
26 planning, design, repair, renovation, reconstruction, alteration, and capital equipping
27 of, and other capital improvements made to, the Charles County Nursing Home.

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 acquisition, construction,
3 improvement, development, rehabilitation, repair, furnishing, and equipping of the
4 public facilities and to borrow money and incur indebtedness for that purpose, at one
5 time or from time to time, in an amount not exceeding, in the aggregate, \$2,000,000
6 and to evidence such borrowing by the issuance and sale upon its full faith and credit
7 of general obligation bonds in like par amount, which may be issued at one time or
8 from time to time, in one or more groups or series, as the County may determine.

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

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

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

42 If the County determines in the resolution to offer any of the bonds by
43 solicitation of competitive bids at public sale, the resolution shall fix the terms and
44 conditions of the public sale and shall adopt a form of notice of sale, which shall
45 outline the terms and conditions, and a form of advertisement, which shall be

1 published in one or more daily or weekly newspapers having a general circulation in
2 the County and which may also be published in one or more journals having a
3 circulation primarily among banks and investment bankers. At least one publication
4 of the advertisement shall be made not less than ten (10) days before the sale of the
5 bonds.

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

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

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

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

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

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

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

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

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

43 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
44 June 1, 1999.

