
By: **Frederick County Delegation**

Introduced and read first time: February 3, 2000

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Tourism Council Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Frederick County, from time to time, to borrow not more than \$3,000,000 in
5 order to finance the cost of construction of certain buildings and facilities in
6 Frederick County, as herein defined, and to effect such borrowing by the
7 issuance and sale at public or private sale of its general obligation bonds in like
8 principal amount; empowering the County to fix and determine, by resolution,
9 the form, tenor, interest rate or rates or method of determining the same, terms,
10 conditions, maturities, and all other details incident to the issuance and sale of
11 the bonds; empowering the County to issue refunding bonds for the purchase or
12 redemption of bonds in advance of maturity; empowering and directing the
13 County to levy, impose, and collect, annually, ad valorem taxes in rate and
14 amount sufficient to provide funds for the payment of the maturing principal of
15 and interest on the bonds; exempting the bonds and refunding bonds and the
16 interest thereon and any income derived therefrom from all State, county,
17 municipal, and other taxation in the State of Maryland; providing that nothing
18 in this Act shall prevent the County from authorizing the issuance and sale of
19 bonds the interest on which is not excludable from gross income for federal
20 income tax purposes; and generally relating to the issuance and sale of the
21 bonds by Frederick County.

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That, as used herein, the term "County" means the body politic and
24 corporate of the State of Maryland known as the County Commissioners of Frederick
25 County, and the term "construction of additions and improvements to the Tourism
26 Council of Frederick County, Inc." means the cost of planning, acquisition, alteration,
27 renovation, construction, reconstruction, demolition, development, improvement,
28 expansion, and modernization of buildings and facilities of the Tourism Council of
29 Frederick County, Inc., including architectural, engineering, financial, legal, and
30 other professional services, plans, specifications, studies, surveys, estimates of costs
31 and of revenues, administrative expenses necessary or incident of determining the
32 feasibility or practicability of the project and the development of the grounds and
33 landscaping thereof, all customary permanent appurtenances, furnishings and
34 equipment appropriate to the full use thereof, financing charges, interest prior to and
35 during construction (and if deemed necessary by the County for a limited period after

1 completion of construction), reserves for principal and interest and for extensions,
2 enlargements, additions and improvements, and such other expenses as may be
3 necessary or incident to the construction of additions and improvements to the
4 Tourism Council of Frederick County, Inc. and the financing or refinancing of such
5 additions and improvements including expenses of issuance of the bonds herein
6 authorized. "Tourism Council of Frederick County, Inc." means the private
7 nonsectarian corporation that operates the Frederick Tourism Council in Frederick
8 County.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
10 authorized to finance any part or all of the costs of the public facilities described in
11 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
12 one time or from time to time, in an amount not exceeding, in the aggregate,
13 \$3,000,000 and to evidence such borrowing by the issuance and sale upon its full faith
14 and credit of general obligation bonds in like par amount, which may be issued at one
15 time or from time to time, in one or more groups or series, as the County may
16 determine.

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

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

1 In case any officer whose signature appears on any bond or on any coupon
2 attached thereto ceases to be such officer before the delivery thereof, such signature
3 shall nevertheless be valid and sufficient for all purposes as if he had remained in
4 office until such delivery. The bonds and the issuance and sale thereof shall be exempt
5 from the provisions of Sections 2C, 9, 10, and 11 of Article 31 of the Annotated Code of
6 Maryland.

7 If the County determines in the resolution to offer any of the bonds by
8 solicitation of competitive bids at public sale, the resolution shall fix the terms and
9 conditions of the public sale and shall adopt a form of notice of sale, which shall
10 outline the terms and conditions, and a form of advertisement, which shall be
11 published in one or more daily or weekly newspapers having a general circulation in
12 the County and which may also be published in one or more journals having a
13 circulation primarily among banks and investment bankers. Any public sale of the
14 bonds shall be held no sooner than ten days following the first publication of notice of
15 sale.

16 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
17 shall be made to the Treasurer of Frederick County or such other official of Frederick
18 County as may be designated to receive such payment in a resolution passed by the
19 County Commissioner of Frederick County before delivery. For purposes of issuance
20 and sale, bonds authorized hereunder may be consolidated into a single issue with
21 any other bonds authorized to be issued by the County.

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

32 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
33 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
34 faith and credit and unlimited taxing power of the County to the payment of the
35 maturing principal of and interest on the bonds as and when they become payable. In
36 each and every fiscal year that any of the bonds are outstanding, the County shall
37 levy or cause to be levied ad valorem taxes upon all the assessable property within the
38 corporate limits of Frederick County in rate and amount sufficient to provide for or
39 assure the payment, when due, of the principal of and interest on all the bonds
40 maturing in each such fiscal year and, in the event the proceeds from the taxes so
41 levied in any such fiscal year shall prove inadequate for such payment, additional
42 taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The
43 County may apply to the payment of the principal of and interest on any bonds issued
44 hereunder any funds received by it from the State of Maryland, the United States of
45 America, any agency or instrumentality thereof, or from any other source. If such

1 funds are granted for the purpose of assisting the County in financing the
2 construction, improvement, development, or renovation of the public facilities defined
3 in this Act and, to the extent of any such funds received or receivable in any fiscal
4 year, the taxes that might otherwise be levied under this Act, may be reduced or need
5 not be levied.

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

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

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

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

1 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
2 money and issue bonds conferred on the County by this Act shall be deemed to provide
3 additional, alternative, and supplemental authority for borrowing money and shall be
4 regarded as supplemental and additional to powers conferred upon the County by
5 other laws and shall not be regarded as in derogation of any power now existing; and
6 all Acts of the General Assembly of Maryland heretofore passed authorizing the
7 County to borrow money are hereby continued to the extent that the powers contained
8 in such Acts have not been exercised, and nothing contained in this Act may be
9 construed to impair, in any way, the validity of any bonds that may have been issued
10 by the County under the authority of any said Acts, and the validity of the bonds is
11 hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of
12 the inhabitants of Frederick County, shall be liberally construed to effect the purposes
13 hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are
14 hereby repealed to the extent of such inconsistency.

15 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 June 1, 2000.