

SENATE BILL 738

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B3

2000 Regular Session  
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By: **Senators Haines and Ferguson (Carroll County Senators)**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

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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 \$33,740,000 in order  
5 to finance the acquisition, construction, improvement, or development of certain  
6 public facilities in Carroll County, as herein defined, and to evidence such  
7 borrowing by the issuance and sale at public or private sale of its general  
8 obligation bonds in like par amount empowering the County to fix and  
9 determine, by resolution, the form, tenor, interest rate or rates or method of  
10 determining the same, terms, conditions, maturities, and all other details  
11 incident to the issuance and sale of the bonds; empowering the County to issue  
12 refunding bonds for the purchase or redemption of bonds in advance of maturity;  
13 providing that such borrowing may be undertaken by the County in the form of  
14 installment purchase obligations executed and delivered by the County for the  
15 purpose of acquiring agricultural land and woodland preservation easements;  
16 empowering and directing the County to levy, impose, and collect, annually, ad  
17 valorem taxes in rate and amount sufficient to provide funds for the payment of  
18 the maturing principal of and interest on the bonds; exempting the bonds and  
19 refunding bonds and the interest thereon and any income derived therefrom  
20 from all State, county, municipal, and other taxation in the State of Maryland;  
21 providing that nothing in this Act shall prevent the County from authorizing the  
22 issuance and sale of bonds the interest on which is not excludable from gross  
23 income for federal income tax purposes; and relating generally to the issuance  
24 and sale of such bonds.

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

1 services, libraries, refuse disposal buildings and facilities, easements or similar or  
2 related rights in land that restrict the use of agricultural land or woodland to  
3 maintain the character of the land as agricultural land or woodland, and parks and  
4 recreation buildings and facilities, together with the costs of acquiring land or  
5 interests in land as well as any related architectural, financial, legal, planning, or  
6 engineering services.

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, or development of the public facilities described in Section 1 of this Act,  
10 and to borrow money and incur indebtedness for those purposes, at one time or from  
11 time to time, in an amount not exceeding, in the aggregate, \$33,740,000 and to  
12 evidence such borrowing by the issuance and sale upon its full faith and credit of  
13 general obligation bonds in like par amount, which may be issued at one time or from  
14 time to 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 in accordance with a resolution of the County, which shall describe generally the  
17 acquisition, construction, improvement, or development of public facilities for which  
18 the proceeds of the bond sale are intended and the amount needed for those purposes.  
19 The County shall have and is hereby granted full and complete authority and  
20 discretion in the resolution to fix and determine with respect to the bonds of any  
21 issue: the designation, date of issue, denomination or denominations, form or forms,  
22 and tenor of the bonds; the rate or rates of interest payable thereon, or the method of  
23 determining the same, which may include a variable rate; the date or dates and  
24 amount or amounts of maturity, which need not be in equal par amounts or in  
25 consecutive annual installments, provided only that no bond of any issue shall mature  
26 later than 30 years from the date of its issue; the manner of selling the bonds, which  
27 may be at either public or private sale, for such price or prices as may be determined  
28 to be for the best interests of Carroll County; the manner of executing and sealing the  
29 bonds, which may be by facsimile; the terms and conditions, if any, under which bonds  
30 may be tendered for payment or purchase prior to their stated maturity; the terms or  
31 conditions, if any, under which bonds may or shall be redeemed prior to their stated  
32 maturity; the place or places of payment of the principal of and the interest on the  
33 bonds, which may be at any bank or trust company within or without the State of  
34 Maryland; covenants relating to compliance with applicable requirements of federal  
35 income tax law, including (without limitation) covenants regarding the payment of  
36 rebate or penalties in lieu of rebate; covenants relating to compliance with applicable  
37 requirements of federal or state securities laws; and generally all matters incident to  
38 the terms, conditions, issuance, sale, and delivery thereof.

39 The bonds may be made redeemable before maturity, at the option of the County,  
40 at such price or prices and under such terms and conditions as may be fixed by the  
41 County prior to the issuance of the bonds, either in the resolution or in subsequent  
42 resolutions. The bonds may be issued in coupon or in registered form or both, and  
43 provision may be made for the registration of the principal only, or of both principal  
44 and interest, of bonds having coupons attached, and for the reconversion of bonds into  
45 coupon form if any bond has been registered as to both principal and interest. In case  
46 any officer whose signature appears on any bond or on any coupon attached thereto

1 ceases to be such officer before the delivery thereof, such signature shall nevertheless  
2 be valid and sufficient for all purposes as if he had remained in office until such  
3 delivery. The bonds and the issuance and sale thereof shall be exempt from the  
4 provisions of Sections 9, 10, and 11 of Article 31 of the Annotated Code of Maryland.

5 The borrowing authorized by this Act may also be undertaken by the County in  
6 the form of installment purchase obligations executed and delivered by the County for  
7 the purpose of acquiring easements or similar or related rights in land that restrict  
8 the use of agricultural land or woodland to maintain the character of the land as  
9 agricultural land or woodland. The form of installment purchase obligations, the  
10 manner of accomplishing the acquisition of easements, which may be by the direct  
11 exchange of installment purchase obligations for easement, and all matters incident  
12 to the execution and delivery of the installment purchase obligations and acquisition  
13 of the easements by the County shall be determined in the resolution. Except where  
14 the provisions of this Act would be inapplicable to installment purchase obligations,  
15 the term "bonds" used in this Act shall include installment purchase obligations and  
16 matters pertaining to the bonds under this Act, such as the security for the payment  
17 of the bonds, the exemption of the bonds from State, county, municipal or other  
18 taxation, and authorization to issue refunding bonds and the limitation on the  
19 aggregate principal amount of bonds authorized for issuance, shall be applicable to  
20 installment purchase obligations.

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

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

37 Upon delivery of any bonds to the purchaser or purchasers, payment therefore,  
38 where applicable, shall be made to the Treasurer of Carroll County or such other  
39 official of Carroll County as may be designated to receive such payment in a  
40 resolution passed by the County before such delivery.

41 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the  
42 sale of bonds, where applicable, shall be used and applied exclusively and solely for  
43 the acquisition, construction, improvement, or development of public facilities for  
44 which the bonds are sold. If the amounts borrowed shall prove inadequate to finance

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

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

30 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further  
31 authorized and empowered, at any time and from time to time, to issue its bonds in  
32 the manner herein above described for the purpose of refunding, by payment at  
33 maturity or upon purchase or redemption, any bonds issued hereunder. The validity  
34 of any such refunding bonds shall in no way be dependent upon or related to the  
35 validity or invalidity of the obligations so refunded. The powers herein granted with  
36 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.  
37 Such refunding bonds may be issued by the County for the purpose of providing it  
38 with funds to pay any of its outstanding bonds issued hereunder at maturity, for the  
39 purpose of providing it with funds to purchase in the open market any of its  
40 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose  
41 of providing it with funds for the redemption prior to maturity of any outstanding  
42 bonds issued hereunder which are, by their terms, redeemable, for the purpose of  
43 providing it with funds to pay interest on any outstanding bonds issued hereunder  
44 prior to their payment at maturity of purchase or redemption in advance of maturity,  
45 or for the purpose of providing it with funds to pay any redemption or purchase  
46 premium in connection with the refunding of any of its outstanding bonds issued  
47 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated

1 and set apart by the County as a separate trust fund to be used solely for the purpose  
2 of paying the purchase or redemption prices of the bonds to be refunded.

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

12 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations  
13 issued pursuant to the authority of this Act, their transfer, the interest payable  
14 thereon, and any income derived therefrom in the hands of the holders thereof from  
15 time to time (including any profit in the sale thereof) shall be and are hereby declared  
16 to be at all times exempt from State, county, municipal, or other taxation of every  
17 kind and nature whatsoever within the State of Maryland. Nothing in this Act shall  
18 prevent the County from authorizing the issuance and sale of bonds the interest on  
19 which is not excludable from gross income for federal income tax purposes.

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

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