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

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Assigned to: Budget and Taxation

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CHAPTER _____

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

1 County, and the term "acquisition, construction, improvement, or development of
2 public facilities" means the acquisition, alteration, construction, reconstruction,
3 enlargement, equipping, expansion, extension, improvement, rehabilitation,
4 renovation, upgrading, and repair of public buildings and facilities and public works
5 projects, including, but not limited to, public works projects such as roads, bridges
6 and storm drains, public school buildings and facilities, landfills, Carroll Community
7 College buildings and facilities, public operational buildings and facilities such as
8 buildings and facilities for County administrative use, public safety, health and social
9 services, libraries, refuse disposal buildings and facilities, easements or similar or
10 related rights in land that restrict the use of agricultural land or woodland to
11 maintain the character of the land as agricultural land or woodland, and parks and
12 recreation buildings and facilities, together with the costs of acquiring land or
13 interests in land as well as any related architectural, financial, legal, planning, or
14 engineering services.

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

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

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

29 The County may enter into agreements with agents, banks, fiduciaries,
30 insurers, or others for the purpose of enhancing the marketability of any security for
31 the bonds and for the purpose of securing any tender option that may be granted to
32 holders of the bonds, all as may be determined and presented in the aforesaid
33 resolution, which may (but need not) state as security for the performance by the
34 County of any monetary obligations under such agreements the same security given
35 by the County to bondholders for the performance by the County of its monetary
36 obligations under the bonds.

37 If the County determines in the resolution to offer any of the bonds by
38 solicitation of competitive bids at public sale, the resolution shall fix the terms and
39 conditions of the public sale and shall adopt a form of notice of sale, which shall
40 outline the terms and conditions, and a form of advertisement, which shall be
41 published in one or more daily or weekly newspapers having a general circulation in
42 the County and which may also be published in one or more journals having a
43 circulation primarily among banks and investment bankers. At least one publication
44 of the advertisement shall be made not less than 10 days before the sale of the bonds.

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

5 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
6 sale of bonds, where applicable, shall be used and applied exclusively and solely for
7 the acquisition, construction, improvement, or development of public facilities for
8 which the bonds are sold. If the amounts borrowed shall prove inadequate to finance
9 the projects described in the resolution, the County may issue additional bonds with
10 the limitations hereof for the purpose of evidencing the borrowing of additional funds
11 for such financing, provided the resolution authorizing the sale of additional bonds
12 shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the
13 amount needed to finance the projects described in the resolution, the excess funds so
14 borrowed and not expended shall be applied to the payment of the next principal
15 maturity of the bonds or to the redemption of any part of the bonds which have been
16 made redeemable or to the purchase and cancellation of bonds, unless the County
17 shall adopt a resolution allocating the excess funds to the acquisition, construction,
18 improvement, or development of other public facilities as defined and within the
19 limits set forth in this Act.

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

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

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

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

21 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
22 issued pursuant to the authority of this Act, their transfer, the interest payable
23 thereon, and any income derived therefrom in the hands of the holders thereof from
24 time to time (including any profit in the sale thereof) shall be and are hereby declared
25 to be at all times exempt from State, county, municipal, or other taxation of every
26 kind and nature whatsoever within the State of Maryland. Nothing in this Act shall
27 prevent the County from authorizing the issuance and sale of bonds the interest on
28 which is not excludable from gross income for federal 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 an additional and alternative authority for borrowing money and shall be regarded as
32 supplemental and additional to powers conferred upon the County by other laws and
33 shall not be regarded as in derogation of any power now existing; and all Acts of the
34 General Assembly of Maryland heretofore passed authorizing the County to borrow
35 money are hereby continued to the extent that the powers contained in such Acts have
36 not been exercised, and nothing contained in this Act may be construed to impair, in
37 any way, the validity of any bonds that may have been issued by the County under the
38 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed,
39 and approved. This Act, being necessary for the welfare of the inhabitants of Carroll
40 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
41 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
42 such inconsistency.

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

