

HOUSE BILL 199
EMERGENCY BILL

Unofficial Copy
B3

2001 Regular Session
(1r1065)

ENROLLED BILL
-- Appropriations/Budget and Taxation --

Introduced by **Delegate Edwards**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Garrett County - Garrett County Health Center Bond**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Garrett County, from time to time, to borrow not more than \$3,500,000 in order
5 to finance, with certain restrictions, a certain construction project in Garrett
6 County, as herein defined, and to effect such borrowing by the issuance and sale
7 at public or private sale of its general obligation bonds in like par amount;
8 empowering the County to fix and determine, by resolution, the form, tenor,
9 interest rate or rates or method of determining the same, terms, conditions,
10 maturities, and all other details incident to the issuance and sale of the bonds;
11 empowering the County to issue refunding bonds for the purchase or redemption
12 of bonds in advance of maturity; empowering and directing the County to levy,
13 impose, and collect, annually, ad valorem taxes in rate and amount sufficient to
14 provide funds for the payment of the maturing principal of and interest on the
15 bonds; providing that nothing in this Act shall prevent the County from
16 authorizing the issuance and sale of bonds or refunding bonds, if the interest on
17 or income derived from the bonds is not exempt from State, local, or other

1 taxation in the State; providing that nothing in this Act shall prevent the
2 County from authorizing the issuance and sale of bonds the interest on which is
3 not excludable from gross income for federal income tax purposes; making this
4 Act an emergency measure; and relating generally to the issuance and sale of
5 such bonds.

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That, as used herein, the term "County" means that body politic and
8 corporate of the State of Maryland known as the County Commissioners of Garrett
9 County, and the term "construction project" means the cost of the construction and
10 capital equipping of the Garrett County Health Center and any other costs or
11 expenditures incurred by the County in connection therewith.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
13 authorized to finance any part or all of the costs of the construction project described
14 in Section 1 of this Act, and to borrow money and incur indebtedness for that purpose,
15 at one time or from time to time, in an amount not exceeding, in the aggregate,
16 \$3,500,000 and to evidence such borrowing by the issuance and sale upon its full faith
17 and credit of general obligation bonds in like par amount, which may be issued at one
18 time or from time to time, in one or more groups or series, as the County may
19 determine.

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

1 The County may enter into agreements with agents, banks, fiduciaries,
2 insurers, or others for the purpose of enhancing the marketability of any security for
3 the bonds and for the purpose of securing any tender option that may be granted to
4 holders of the bonds, all as may be determined and presented in the aforesaid
5 resolution, which may (but need not) state as security for the performance by the
6 County of any monetary obligations under such agreements the same security given
7 by the County to bondholders for the performance by the County of its monetary
8 obligations under the bonds.

9 In case any officer whose signature appears on any bond ceases to be such
10 officer before delivery, the signature shall nevertheless be valid and sufficient for all
11 purposes as if the officer had remained in office until delivery. The bonds and their
12 issue and sale shall be exempt from the provisions of Sections 9, 10, and 11 of Article
13 31 of the Annotated Code of Maryland as effective from time to time.

14 If the County determines in the resolution to offer any of the bonds by
15 solicitation of competitive bids at public sale, the resolution shall fix the terms and
16 conditions of the public sale and shall adopt a form of notice of sale, which shall
17 outline the terms and conditions, and a form of advertisement, which shall be
18 published in one or more daily or weekly newspapers having a general circulation in
19 the County and which may also be published in one or more journals having a
20 circulation primarily among banks and investment bankers. At least one publication
21 of the advertisement shall be made not less than 10 days before the sale of the bonds.

22 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
23 shall be made to the Treasurer of Garrett County or such other official of Garrett
24 County as may be designated to receive such payment in a resolution passed by the
25 County before such delivery.

26 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
27 sale of the bonds shall be used and applied exclusively and solely for the construction
28 project in Garrett County. If the net proceeds of the sale of any issue of bonds exceeds
29 the amount needed to finance the ~~economic development projects~~ construction project
30 described in the resolution, the excess funds shall be applied to the payment of the
31 next principal maturity of the bonds or to the redemption of any part of the bonds
32 which have been made redeemable or to the purchase and cancellation of bonds, as
33 the County may determine to be in its best interest, unless the County shall adopt a
34 resolution allocating the excess funds to other capital projects.

35 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
36 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
37 faith and credit and unlimited taxing power of the County to the payment of the
38 maturing principal of and interest on the bonds as and when they become payable. In
39 each and every fiscal year that any of the bonds are outstanding, the County ~~shall~~
40 may shall levy or cause to be levied ad valorem taxes upon all the assessable property
41 within the corporate limits of the County in rate and amount sufficient to provide for
42 or assure the payment, when due, of the principal of and interest on all the bonds
43 maturing in each such fiscal year and, in the event the proceeds from the taxes so
44 levied in any such fiscal year shall prove inadequate for such payment, additional

1 taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The
2 County may apply to the payment of the principal of and interest on any bonds issued
3 hereunder any funds received by it from the State of Maryland, the United States of
4 America, any agency or instrumentality thereof, or from any other source, if such
5 funds are granted for the purpose of assisting the County in financing the
6 construction project to the extent of any such funds received or receivable in any fiscal
7 year, the taxes that are required to be levied under this Act may be reduced
8 proportionately or need not be levied.

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

29 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
30 the preparation of definitive bonds, issue interim certificates or temporary bonds,
31 exchangeable for definitive bonds when such bonds have been executed and are
32 available for such delivery, provided, however, that any such interim certificates or
33 temporary bonds shall be issued in all respects subject to the restrictions and
34 requirements set forth in this Act. The County may, by appropriate resolution,
35 provide for the replacement of any bonds issued hereunder which shall have become
36 mutilated or lost or destroyed upon such conditions and after receiving such
37 indemnity as the County may require.

38 SECTION 8. AND BE IT FURTHER ENACTED, That nothing in this Act shall
39 prevent the County from authorizing the issuance and sale of bonds:

40 (a) on which the interest or income derived is not excludable from gross
41 income for federal income tax purposes; or

42 (b) which are subject to any State, county, municipal or other taxation
43 within the State of Maryland.

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

16 SECTION 10. AND BE IT FURTHER ENACTED, That this Act is an emergency
17 measure, is necessary for the immediate preservation of the public health and safety,
18 has been passed by a yea and nay vote supported by three-fifths of all the members
19 elected to each of the two Houses of the General Assembly, and shall take effect from
20 the date it is enacted.