

**HOUSE BILL 199**  
**EMERGENCY BILL**

Unofficial Copy  
B3

2001 Regular Session  
1r1065

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By: **Delegate Edwards**

Introduced and read first time: January 22, 2001

Assigned to: Appropriations

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A BILL ENTITLED

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

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
30 authorized to finance any part or all of the costs of the construction project described  
31 in Section 1 of this Act, and to borrow money and incur indebtedness for that purpose,  
32 at one time or from time to time, in an amount not exceeding, in the aggregate,  
33 \$3,500,000 and to evidence such borrowing by the issuance and sale upon its full faith  
34 and credit of general obligation bonds in like par amount, which may be issued at one

1 time or from time to time, in one or more groups or series, as the County may  
2 determine.

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

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 In case any officer whose signature appears on any bond ceases to be such  
38 officer before delivery, the signature shall nevertheless be valid and sufficient for all  
39 purposes as if the officer had remained in office until delivery. The bonds and their  
40 issue and sale shall be exempt from the provisions of Sections 9, 10, and 11 of Article  
41 31 of the Annotated Code of 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 10 days before the sale of the bonds.

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

9 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the  
10 sale of the bonds shall be used and applied exclusively and solely for the construction  
11 project in Garrett County. If the net proceeds of the sale of any issue of bonds exceeds  
12 the amount needed to finance the economic development projects described in the  
13 resolution, the excess funds shall be applied to the payment of the next principal  
14 maturity of the bonds or to the redemption of any part of the bonds which have been  
15 made redeemable or to the purchase and cancellation of bonds, as the County may  
16 determine to be in its best interest, unless the County shall adopt a resolution  
17 allocating the excess funds to other capital projects.

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

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

1 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose  
2 of providing it with funds for the redemption prior to maturity of any outstanding  
3 bonds issued hereunder which are, by their terms, redeemable, for the purpose of  
4 providing it with funds to pay interest on any outstanding bonds issued hereunder  
5 prior to their payment at maturity of purchase or redemption in advance of maturity,  
6 or for the purpose of providing it with funds to pay any redemption or purchase  
7 premium in connection with the refunding of any of its outstanding bonds issued  
8 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated  
9 and set apart by the County as a separate trust fund to be used solely for the purpose  
10 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 exchangeable for definitive bonds when such bonds have been executed and are  
14 available for such delivery, provided, however, that any such interim certificates or  
15 temporary bonds shall be issued in all respects subject to the restrictions and  
16 requirements set forth in this Act. The County may, by appropriate resolution,  
17 provide for the replacement of any bonds issued hereunder which shall have become  
18 mutilated or lost or destroyed upon such conditions and after receiving such  
19 indemnity as the County may require.

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

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

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

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

41 SECTION 10. AND BE IT FURTHER ENACTED, That this Act is an emergency  
42 measure, is necessary for the immediate preservation of the public health and safety,  
43 has been passed by a yea and nay vote supported by three-fifths of all the members

1 elected to each of the two Houses of the General Assembly, and shall take effect from  
2 the date it is enacted.