
By: **Charles County Delegation**
Introduced and read first time: January 30, 2001
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Charles County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Charles County, from time to time, to borrow not more than \$36,000,000, in
5 order to finance the cost of certain public facilities in Charles County, as herein
6 defined, and to effect such borrowing by the issuance and sale at public or
7 private sale of its general obligation bonds in like amount; empowering the
8 County to fix and determine, by resolution, the form, tenor, interest rate or rates
9 or method of determining the same, terms, conditions, maturities, and all other
10 details incident to the issuance and sale of the bonds; empowering the County to
11 issue refunding bonds for the purchase or redemption of bonds in advance of
12 maturity; empowering and directing the County to levy, impose, and collect,
13 annually, ad valorem taxes in rate and amount sufficient to provide funds for
14 the payment of the maturing principal of and interest on the bonds; exempting
15 the bonds and refunding bonds and the interest thereon and any income derived
16 therefrom from all State, county, municipal, and other taxation in the State of
17 Maryland; providing that nothing in this Act shall prevent the County from
18 authorizing the issuance and sale of bonds the interest on which is not
19 excludable from gross income for federal income tax purposes; and generally
20 relating to the issuance and sale of the bonds by Charles County.

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That, as used herein, the term "County" means the body politic and
23 corporate of the State of Maryland known as the County Commissioners of Charles
24 County; the term "Board" means the Board of County Commissioners of Charles
25 County, the governing body of the County; and the term "public facilities" means the
26 acquisition, planning, design, construction, repair, renovation, reconstruction,
27 alteration, and capital equipping of, and other capital improvements made to
28 buildings, facilities, and public works projects in Charles County.

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 acquisition, construction,
31 improvement, development, rehabilitation, repair, furnishing, and equipping of the
32 public facilities and to borrow money and incur indebtedness for that purpose, at one
33 time or from time to time, in an amount not exceeding, in the aggregate, \$36,000,000
34 and to evidence such borrowing by the issuance and sale upon its full faith and credit

1 of general obligation bonds in like amount, which may be issued at one time or from
2 time to time, in one or more groups or series, as the County may determine.

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

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

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

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

1 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
2 shall be made to the Treasurer of Charles County or such other official of Charles
3 County as may be designated to receive such payment in a resolution adopted by the
4 Board before delivery.

5 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
6 sale of bonds shall be used and applied exclusively and solely for financing the public
7 facilities for which the bonds are sold. If the net proceeds of the sale of any issue of
8 bonds exceeds the amount needed to finance the public facilities described in the
9 resolution, the excess funds so borrowed and not expended shall be applied to the
10 payment of the next principal maturity of the bonds or to the redemption of any part
11 of the bonds which have been made redeemable or to the purchase and cancellation of
12 bonds, unless the Board in its discretion adopts a resolution allocating the excess
13 funds to the costs of other public facilities.

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

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

1 purchase premium in connection with the refunding of any of its outstanding bonds
2 issued hereunder. The proceeds of the sale of any such refunding bonds shall be
3 segregated and set apart by the County as a separate trust fund to be used solely for
4 the purpose of paying the purchase or redemption prices of the bonds to be refunded.

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

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

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

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

37 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 June 1, 2001.