
By: **Charles County Delegation**
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Assigned to: Appropriations

Committee Report: Favorable with amendments
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CHAPTER _____

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~~
5 \$37,700,000, in order to finance the cost of certain public facilities in Charles
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 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; exempting the bonds and refunding bonds and the interest thereon and
16 any income derived therefrom from all State, county, municipal, and other
17 taxation in the State of Maryland; providing that nothing in this Act shall
18 prevent the County from authorizing the issuance and sale of bonds the interest
19 on which is not excludable from gross income for federal income tax purposes;
20 and generally 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,

1 alteration, and capital equipping of, and other capital improvements made to public
2 buildings, facilities, and ~~public~~ works projects in Charles County.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
4 authorized to finance any part or all of the costs of the acquisition, construction,
5 improvement, development, rehabilitation, repair, furnishing, and equipping of the
6 public facilities and to borrow money and incur indebtedness for that purpose, at one
7 time or from time to time, in an amount not exceeding, in the aggregate, ~~\$36,000,000~~
8 \$37,700,000 and to evidence such borrowing by the issuance and sale upon its full
9 faith and credit of general obligation bonds in like amount, which may be issued at
10 one time or from time to time, in one or more groups or series, as the County may
11 determine.

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

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

41 In case any officer whose signature appears on any bond ceases to be such
42 officer before the delivery thereof, such signature shall nevertheless be valid and
43 sufficient for all purposes as if he had remained in office until such delivery. The
44 bonds and the issuance and sale thereof shall be exempt from the provisions of

1 Sections 9, 10, and 11 of Article 31 of the Annotated Code of Maryland, as effective
2 from time to time.

3 If the County determines in the resolution to offer any of the bonds by
4 solicitation of competitive bids at public sale, the resolution shall fix the terms and
5 conditions of the public sale and shall adopt a form of notice of sale, which shall
6 outline the terms and conditions, and a form of advertisement, which shall be
7 published in one or more daily or weekly newspapers having a general circulation in
8 the County and which may also be published in one or more journals having a
9 circulation primarily among banks and investment bankers. At least one publication
10 of the advertisement shall be made not less than ten days before the sale of the bonds.

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

15 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
16 sale of bonds shall be used and applied exclusively and solely for financing the public
17 facilities for which the bonds are sold. If the net proceeds of the sale of any issue of
18 bonds exceeds the amount needed to finance the public facilities described in the
19 resolution, the excess funds so borrowed and not expended shall be applied to the
20 payment of the next principal maturity of the bonds or to the redemption of any part
21 of the bonds which have been made redeemable or to the purchase and cancellation of
22 bonds, unless the Board in its discretion adopts a resolution allocating the excess
23 funds to the costs of other public facilities.

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

41 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby
42 further authorized and empowered, at any time and from time to time, to issue its
43 bonds in the manner herein above described for the purpose of refunding, by payment
44 at maturity or upon purchase or redemption, any bonds issued hereunder. The

1 validity of any such refunding bonds shall in no way be dependent upon or related to
2 the validity or invalidity of the obligations so refunded. The powers herein granted
3 with respect to the issuance of bonds shall be applicable to the issuance of refunding
4 bonds. Such refunding bonds may be issued by the County for the purpose of
5 providing it with funds to pay any of its outstanding bonds issued hereunder at
6 maturity, for the purpose of providing it with funds to purchase in the open market
7 any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the
8 purpose of providing it with funds for the redemption prior to maturity of any
9 outstanding bonds issued hereunder which are, by their terms, redeemable, for the
10 purpose of providing it with funds to pay interest on any outstanding bonds issued
11 hereunder prior to their payment at maturity of purchase or redemption in advance of
12 maturity, or for the purpose of providing it with funds to pay any redemption or
13 purchase premium in connection with the refunding of any of its outstanding bonds
14 issued hereunder. The proceeds of the sale of any such refunding bonds shall be
15 segregated and set apart by the County as a separate trust fund to be used solely for
16 the purpose of paying the purchase or redemption prices of the bonds to be refunded.

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

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

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

35 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
36 money and issue bonds conferred on the County by this Act shall be deemed to provide
37 additional, alternative, and supplemental authority for borrowing money and shall be
38 regarded as supplemental and additional to powers conferred upon the County by
39 other laws and shall not be regarded as in derogation of any power now existing; and
40 all Acts of the General Assembly of Maryland heretofore passed authorizing the
41 County to borrow money are hereby continued to the extent that the powers contained
42 in such Acts have not been exercised, and nothing contained in this Act may be
43 construed to impair, in any way, the validity of any bonds that may have been issued
44 by the County under the authority of any said Acts, and the validity of the bonds is
45 hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of

1 the inhabitants of Charles County, shall be liberally construed to effect the purposes
2 hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are
3 hereby repealed to the extent of such inconsistency.

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