
By: **St. Mary's County Delegation**

Introduced and read first time: February 7, 2001

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **St. Mary's County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of St.
4 Mary's County, from time to time, to borrow not more than \$20,000,000 in order
5 to finance the construction, improvement, or development of certain public
6 facilities in St. Mary's County, as herein defined, by the issuance and sale at
7 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; 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 relating generally to the issuance and sale of such bonds.

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 St. Mary's
24 County, and the term "construction, improvement, or development of public facilities"
25 means the acquisition, alteration, construction, reconstruction, enlargement,
26 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,
27 and repair of public buildings and facilities and public works projects, including, but
28 not limited to, public works projects such as highways, roads, bridges and storm
29 drains, public school buildings and facilities, boating facilities, shore erosion and
30 other marine property, landfills, and recycling facilities, public operational buildings
31 and facilities such as buildings and facilities for County administrative use, capital
32 improvements to the Wicomico Shores Taxing District, County athletic facilities, the
33 community college, community swimming pools, public safety, health, and social
34 services, libraries, commuter air service facilities, refuse disposal buildings and
35 facilities, and parks and recreation buildings and facilities, together with the costs of

1 acquiring land or interests in land as well as any related architectural, financial,
2 legal, planning, or engineering services.

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 public facilities described in
5 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
6 one time or from time to time, in an amount not exceeding, in the aggregate,
7 \$20,000,000 and to evidence such borrowing by the issuance and sale upon its full
8 faith and credit of general obligation bonds in like par amount, which may be issued
9 at one time or from time to time, in one or more groups or series, as the County may
10 determine.

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

35 The bonds may be made redeemable before maturity, at the option of the County,
36 at such price or prices and under such terms and conditions as may be fixed by the
37 County prior to the issuance of the bonds, either in the resolution or in a bond order
38 pursuant to the bond resolution. The bonds may be issued in registered form and
39 provision may be made for the registration of the principal only. In case any officer
40 whose signature appears on any bond ceases to be such officer before the delivery
41 thereof, such signature shall nevertheless be valid and sufficient for all purposes as if
42 he had remained in office until such delivery. The bonds and the issuance and sale
43 thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article 31 of
44 the Annotated Code of Maryland.

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 If the County determines in the resolution to offer any of the bonds by
10 solicitation of competitive bids at public sale, the resolution shall fix the terms and
11 conditions of the public sale and shall adopt a form of notice of sale, which shall
12 outline the terms and conditions, and a form of advertisement, which shall be
13 published in accordance with the terms of the resolution.

14 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
15 shall be made to the Treasurer of St. Mary's County or such other official of St. Mary's
16 County as may be designated to receive such payment in a resolution passed by the
17 County before such delivery.

18 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
19 sale of bonds shall be used and applied exclusively and solely for the acquisition,
20 construction, improvement, or development of public facilities for which the bonds are
21 sold. If the amounts borrowed shall prove inadequate to finance the projects described
22 in the resolution, the County may issue additional bonds with the limitations hereof
23 for the purpose of evidencing the borrowing of additional funds for such financing,
24 provided the resolution authorizing the sale of additional bonds shall so recite, but if
25 the net proceeds of the sale of any issue of bonds exceeds the amount needed to
26 finance the projects described in the resolution, the excess funds so borrowed and not
27 expended shall be applied to the payment of the next principal maturity of the bonds
28 or to the redemption of any part of the bonds which have been made redeemable or to
29 the purchase and cancellation of bonds, unless the County shall adopt a resolution
30 allocating the excess funds to the acquisition, construction, improvement, or
31 development of other public facilities, as defined and within the limits set forth in this
32 Act.

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

1 any agency or instrumentality thereof, or from any other source, if such funds are
2 granted for the purpose of assisting the County in financing the acquisition,
3 construction, improvement, or development of the public facilities defined in this Act
4 and, to the extent of any such funds received or receivable in any fiscal year, the taxes
5 that are required to be levied under this Act may be reduced accordingly.

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

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

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

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

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

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