
By: **Delegates Rawlings and Marriott**

Introduced and read first time: February 9, 2001

Assigned to: Ways and Means and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Special Tax Districts**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore to create a
4 certain special taxing district, levy ad valorem or special taxes, and issue bonds
5 or other obligations for certain infrastructure improvements; defining certain
6 terms; authorizing the Mayor and City Council of Baltimore to borrow money by
7 selling certain bonds to pay the cost of certain infrastructure improvements
8 under certain circumstances; requiring the Mayor and City Council of Baltimore
9 to designate certain areas as certain special taxing districts prior to issuing
10 bonds; requiring the Mayor and City Council of Baltimore to provide for the levy
11 of a certain ad valorem or special tax on certain real and personal property;
12 requiring the creation of a certain special fund for the special taxing districts;
13 providing for the termination of the special taxing district and the disbursement
14 of the special fund; requiring the Mayor and City Council of Baltimore to enact
15 a certain ordinance in order to implement the authority to issue certain bonds;
16 requiring certain notice and a certain public hearing prior to the Mayor and City
17 Council of Baltimore enacting a certain ordinance; providing that certain bonds
18 are exempt from certain State, county, and municipal corporation taxes;
19 providing for the form, signature requirements, maturity, and manner of sale of
20 certain bonds; providing that bonds issued under this Act are securities;
21 authorizing the Mayor and City Council of Baltimore to levy special taxes on
22 certain property in a special taxing district as an alternative to levying an ad
23 valorem tax; requiring consent by a certain governing body for designation as a
24 special taxing district; requiring that the bonds issued under this Act are a
25 special obligation and not a general obligation debt of the Mayor and City
26 Council of Baltimore; requiring a certain contract to sell real property within a
27 certain special taxing district to disclose any special tax for which the buyer
28 would be liable due to the special taxing district; providing for a certain lien
29 which attaches to certain property within a certain special taxing district;
30 requiring that when the Mayor and City of Baltimore lease property within a
31 certain special taxing district, the property shall be assessed and taxed the same
32 as privately owned property; prohibiting competitive bidding for contracts for
33 the purchase of certain infrastructure improvements which are payable from
34 the proceeds of certain bonds; authorizing the Mayor and City Council of
35 Baltimore to refund certain bonds under certain circumstances; providing that

the powers granted under this Act shall be supplemental and additional to powers conferred by other laws; and generally relating to authorizing the Mayor and City Council of Baltimore to create a certain special taxing district, levy ad valorem or special taxes, and issue bonds or other obligations for certain infrastructure improvements.

BY adding to
The Charter of Baltimore City
Article II - General Powers
Section (62A)
(1996 Edition, as amended)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:

The Charter of Baltimore City

Article II - General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62A)

(A) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION AND FOR THE
PURPOSE STATED IN PARAGRAPH (2) OF THIS SUBSECTION, TO:

- (I) CREATE A SPECIAL TAXING DISTRICT;
- (II) LEVY AD VALOREM OR SPECIAL TAXES; AND
- (III) ISSUE BONDS AND OTHER OBLIGATIONS.

(2) THE PURPOSE OF THE AUTHORITY GRANTED UNDER PARAGRAPH (1)
OF THIS SUBSECTION IS TO PROVIDE FINANCING, REFINANCING, OR
REIMBURSEMENT FOR THE COST OF THE DESIGN, CONSTRUCTION, ESTABLISHMENT,
EXTENSION, ALTERATION, OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS,
WHETHER SITUATED WITHIN THE SPECIAL TAXING DISTRICT OR OUTSIDE THE
SPECIAL TAXING DISTRICT IF THE INFRASTRUCTURE IMPROVEMENT IS REASONABLY
RELATED TO OTHER INFRASTRUCTURE IMPROVEMENTS WITHIN THE SPECIAL
TAXING DISTRICT.

(B) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED, UNLESS THE CONTEXT CLEARLY INDICATES ANOTHER OR DIFFERENT
MEANING OR INTENT:

1 (1) "BOND" MEANS A SPECIAL OBLIGATION BOND, REVENUE BOND,
2 NOTE, OR OTHER SIMILAR INSTRUMENT ISSUED BY THE MAYOR AND CITY COUNCIL
3 OF BALTIMORE IN ACCORDANCE WITH THIS SECTION.

4 (2) "COST" INCLUDES THE COST OF:

5 (I) CONSTRUCTION, RECONSTRUCTION, AND RENOVATION AND
6 PURCHASING, LEASING, CONDEMNING, OR OTHERWISE ACQUIRING ANY LANDS,
7 STRUCTURES, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY,
8 FRANCHISES, EASEMENTS, AND INTERESTS ACQUIRED OR TO BE ACQUIRED BY THE
9 MAYOR AND CITY COUNTY OF BALTIMORE;

10 (II) ALL MACHINERY AND EQUIPMENT INCLUDING MACHINERY
11 AND EQUIPMENT NEEDED TO EXPAND OR ENHANCE CITY SERVICES TO THE SPECIAL
12 TAXING DISTRICT;

13 (III) FINANCING CHARGES AND INTEREST PRIOR TO AND DURING
14 CONSTRUCTION, AND, IF DEEMED ADVISABLE BY THE MAYOR AND CITY COUNCIL OF
15 BALTIMORE, FOR A LIMITED PERIOD AFTER COMPLETION OF THE CONSTRUCTION,
16 INTEREST AND RESERVES FOR PRINCIPAL AND INTEREST, INCLUDING COSTS OF
17 MUNICIPAL BOND INSURANCE AND ANY OTHER TYPE OF FINANCIAL GUARANTY AND
18 COSTS OF ISSUANCE;

19 (IV) EXTENSIONS, ENLARGEMENTS, ADDITIONS, AND
20 IMPROVEMENTS;

21 (V) ARCHITECTURAL, ENGINEERING, FINANCIAL, AND LEGAL
22 SERVICES;

23 (VI) PLANS, SPECIFICATIONS, STUDIES, SURVEYS, AND ESTIMATES
24 OF COST AND OF REVENUES;

25 (VII) ADMINISTRATIVE EXPENSES NECESSARY OR INCIDENT TO
26 DETERMINING TO PROCEED WITH THE INFRASTRUCTURE IMPROVEMENTS;

27 (VIII) SITE REMOVAL;

28 (IX) RELOCATION OF BUSINESSES AND RESIDENTS; AND

29 (X) OTHER EXPENSES AS MAY BE NECESSARY OR INCIDENT TO THE
30 CONSTRUCTION, ACQUISITION, AND FINANCING OF THE INFRASTRUCTURE
31 IMPROVEMENTS.

32 (3) "INFRASTRUCTURE IMPROVEMENT" MEANS ADEQUATE STORM
33 DRAINAGE SYSTEMS, SEWERS, WATER SYSTEMS, ROADS, BRIDGES, CULVERTS,
34 TUNNELS, STREETS, SIDEWALKS, LIGHTING, SURFACE PARKING, PLAYGROUNDS,
35 PARKS AND RECREATION FACILITIES, LIBRARIES, SCHOOLS, TRANSIT FACILITIES,
36 SOLID WASTE FACILITIES, BUILDINGS DEVOTED TO A GOVERNMENTAL USE OR
37 PURPOSE, STRUCTURED PARKING FACILITIES THAT ARE PUBLICLY OWNED OR
38 PRIVATELY OWNED, BUT SERVE A PUBLIC PURPOSE, AND OTHER INFRASTRUCTURE

1 IMPROVEMENTS AS NECESSARY FOR THE DEVELOPMENT AND UTILIZATION OF THE
2 LAND, WITH RESPECT TO ANY DEFINED GEOGRAPHIC REGION WITHIN THE CITY OF
3 BALTIMORE.

4 (C) (1) IN ADDITION TO OTHER POWERS THE MAYOR AND CITY COUNCIL OF
5 BALTIMORE MAY HAVE, AND NOTWITHSTANDING THE PROVISIONS OF ANY OTHER
6 PUBLIC LAW, PUBLIC GENERAL LAW, OR THE BALTIMORE CITY CHARTER, THE MAYOR
7 AND CITY COUNCIL OF BALTIMORE MAY BORROW MONEY BY ISSUING AND SELLING
8 BONDS FOR THE PURPOSE STATED IN SUBSECTION (A)(2) OF THIS SECTION IF A
9 REQUEST TO THE MAYOR AND CITY COUNCIL OF BALTIMORE IS MADE BY BOTH:

10 (I) THE OWNERS OF AT LEAST TWO-THIRDS OF THE ASSESSED
11 VALUATION OF THE REAL PROPERTY LOCATED WITHIN THE SPECIAL TAXING
12 DISTRICT; AND

13 (II) AT LEAST TWO-THIRDS OF THE OWNERS OF THE REAL
14 PROPERTY LOCATED WITHIN THE SPECIAL TAXING DISTRICT, PROVIDED THAT:

15 1. MULTIPLE OWNERS OF A SINGLE PARCEL ARE TREATED
16 AS A SINGLE OWNER; AND

17 2. A SINGLE OWNER OF MULTIPLE PARCELS IS TREATED AS
18 ONE OWNER.

19 (2) THIS SECTION IS SELF-EXECUTING AND DOES NOT REQUIRE THE
20 MAYOR AND CITY COUNCIL OF BALTIMORE TO ENACT LEGISLATION TO EXERCISE
21 THE POWERS GRANTED UNDER THIS SECTION.

22 (D) (1) BONDS SHALL BE PAYABLE FROM THE SPECIAL FUND TO THE
23 EXTENT PROVIDED IN THE AUTHORIZING ORDINANCE, AS SET FORTH IN
24 SUBSECTION (E) OF THIS SECTION.

25 (2) ALL PROCEEDS RECEIVED FROM ANY BONDS ISSUED AND SOLD
26 SHALL BE APPLIED SOLELY TO PAY THE COST OF INFRASTRUCTURE IMPROVEMENTS,
27 INCLUDING:

28 (I) COSTS OF DESIGN, CONSTRUCTION, ESTABLISHMENT,
29 EXTENSION, ALTERATION, OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS;

30 (II) COSTS OF ISSUING BONDS;

31 (III) PAYMENT OF THE PRINCIPAL AND INTEREST ON LOANS,
32 MONEY ADVANCES, OR INDEBTEDNESS INCURRED BY THE MAYOR AND CITY
33 COUNCIL OF BALTIMORE FOR ANY OF THE PURPOSES STATED IN SUBSECTION (A)(2)
34 OF THIS SECTION, INCLUDING THE REFUNDING OF BONDS PREVIOUSLY ISSUED
35 UNDER THIS SECTION; AND

36 (IV) FUNDING OF A DEBT SERVICE RESERVE FUND OR PAYMENT OF
37 INTEREST PRIOR TO, DURING, OR FOR A LIMITED PERIOD OF TIME AFTER
38 CONSTRUCTION.

1 (E) (1) BEFORE ISSUING BONDS, THE MAYOR AND CITY COUNCIL OF
2 BALTIMORE SHALL BY ORDINANCE:

3 (I) DESIGNATE AN AREA OR AREAS AS A SPECIAL TAXING
4 DISTRICT;

5 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, CREATE A
6 SPECIAL FUND WITH RESPECT TO THE SPECIAL TAXING DISTRICT; AND

7 (III) PROVIDE FOR THE LEVY OF AN AD VALOREM OR SPECIAL TAX
8 ON ALL REAL AND PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AT
9 A RATE OR AMOUNT DESIGNED TO PROVIDE ADEQUATE REVENUES TO PAY THE
10 PRINCIPAL OF, INTEREST ON, AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS,
11 TO REPLENISH ANY DEBT SERVICE RESERVE FUND, AND FOR ANY OTHER PURPOSE
12 RELATED TO THE ONGOING EXPENSES OF OR SECURITY FOR THE BONDS. AD
13 VALOREM TAXES SHALL BE LEVIED IN THE SAME MANNER, UPON THE SAME
14 ASSESSMENTS, FOR THE SAME PERIOD OR PERIODS, AND AS OF THE SAME DATE OR
15 DATES OF FINALITY AS ARE NOW OR MAY HEREAFTER BE PRESCRIBED FOR
16 GENERAL AD VALOREM TAX PURPOSES WITHIN THE DISTRICT, AND SHALL BE
17 DISCONTINUED WHEN ALL OF THE BONDS HAVE BEEN PAID IN FULL. SPECIAL TAXES
18 SHALL BE LEVIED PURSUANT TO SUBSECTION (K) OF THIS SECTION.

19 (2) THE ORDINANCE CREATING A SPECIAL FUND UNDER PARAGRAPH
20 (1)(II) OF THIS SUBSECTION SHALL:

21 (I) PLEDGE TO THE SPECIAL FUND THE PROCEEDS OF THE AD
22 VALOREM OR SPECIAL TAX TO BE LEVIED AS PROVIDED UNDER PARAGRAPH (1)(III)
23 OF THIS SUBSECTION;

24 (II) REQUIRE THAT THE PROCEEDS FROM THE TAX BE PAID INTO
25 THE SPECIAL FUND;

26 (III) PROVIDE THAT ASSESSMENTS AND TAXES LEVIED WITHIN THE
27 SPECIAL TAXING DISTRICT MAY NOT BE ACCELERATED BY REASON OF BOND
28 DEFAULT; AND

29 (IV) PROVIDE THAT THE MAXIMUM SPECIAL ASSESSMENTS,
30 SPECIAL TAXES, OR OTHER FEES OR CHARGES APPLICABLE TO ANY INDIVIDUAL
31 PROPERTY MAY NOT BE INCREASED IN THE EVENT THAT OTHER PROPERTY OWNERS
32 BECOME DELINQUENT IN THE PAYMENT OF A SPECIAL ASSESSMENT, SPECIAL TAX,
33 OR OTHER FEE OR CHARGE SECURING SPECIAL OBLIGATION DEBT ISSUED UNDER
34 THIS SECTION.

35 (3) (I) IN LIEU OF THE PLEDGE SET FORTH IN PARAGRAPH (2)(I) OF
36 THIS SUBSECTION, THE AUTHORIZING ORDINANCE, SUBJECT TO SUBPARAGRAPH (II)
37 OF THIS PARAGRAPH, MAY PLEDGE OR ASSIGN:

38 1. ALL OR ANY PART OF THE REVENUES AND RECEIPTS
39 FROM THE SPECIAL TAXES TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE
40 BONDS; AND

1 2. THE SPECIAL FUND AND ANY OTHER FUND INTO WHICH
2 ALL OR ANY PART OF SUCH REVENUES AND RECEIPTS ARE DEPOSITED AFTER SUCH
3 REVENUES AND RECEIPTS ARE APPROPRIATED BY THE MAYOR AND CITY COUNCIL
4 OF BALTIMORE TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST.

5 (II) THE REVENUES AND RECEIPTS MAY NOT BE IRREVOCABLY
6 PLEDGED TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST AND THE
7 OBLIGATION TO PAY SUCH PRINCIPAL AND INTEREST FROM SUCH REVENUES AND
8 RECEIPTS SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE MAYOR AND CITY
9 COUNCIL OF BALTIMORE.

10 (F) WHEN NO BONDS AUTHORIZED BY THIS SECTION ARE OUTSTANDING
11 WITH RESPECT TO A SPECIAL TAXING DISTRICT:

12 (1) THE SPECIAL TAXING DISTRICT SHALL BE TERMINATED; AND

13 (2) ANY MONEYS REMAINING IN THE SPECIAL FUND ON THE DATE OF
14 TERMINATION OF THE SPECIAL TAXING DISTRICT SHALL BE PAID TO THE GENERAL
15 FUND OF THE MAYOR AND CITY COUNCIL OF BALTIMORE.

16 (G) (1) IN ORDER TO IMPLEMENT THE AUTHORITY CONFERRED UPON IT BY
17 THIS SECTION TO ISSUE BONDS, THE MAYOR AND CITY COUNCIL OF BALTIMORE
18 SHALL ENACT AN ORDINANCE THAT:

19 (I) SPECIFIES AND DESCRIBES THE PROPOSED UNDERTAKING
20 AND STATES THAT IT HAS COMPLIED WITH SUBSECTION (E) OF THIS SECTION;

21 (II) SPECIFIES THE MAXIMUM PRINCIPAL AMOUNT OF BONDS TO
22 BE ISSUED;

23 (III) SPECIFIES THE MAXIMUM RATE OR RATES OF INTEREST FOR
24 THE BONDS; AND

25 (IV) AGREES TO A COVENANT TO LEVY UPON ALL REAL AND
26 PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AD VALOREM TAXES
27 OR SPECIAL TAXES IN RATE AND AMOUNT AT LEAST SUFFICIENT IN EACH YEAR IN
28 WHICH ANY OF THE BONDS ARE OUTSTANDING TO PROVIDE FOR THE PAYMENT OF
29 THE PRINCIPAL OF AND THE INTEREST ON THE BONDS.

30 (2) THE ORDINANCE MAY SPECIFY, OR MAY AUTHORIZE THE BOARD OF
31 FINANCE BY RESOLUTION TO SPECIFY, ANY OF THE FOLLOWING AS IT DEEMS
32 APPROPRIATE TO EFFECT THE FINANCING OF THE PROPOSED UNDERTAKING:

33 (I) THE ACTUAL PRINCIPAL AMOUNT OF THE BONDS TO BE
34 ISSUED;

35 (II) THE ACTUAL RATE OR RATES OF INTEREST FOR THE BONDS;

36 (III) THE MANNER IN WHICH AND THE TERMS UPON WHICH THE
37 BONDS ARE TO BE SOLD;

1 (IV) THE MANNER IN WHICH AND THE TIMES AND PLACES THAT
2 THE INTEREST ON THE BONDS IS TO BE PAID;

3 (V) THE TIME OR TIMES THAT THE BONDS MAY BE EXECUTED,
4 ISSUED, AND DELIVERED;

5 (VI) THE FORM AND TENOR OF THE BONDS AND THE
6 DENOMINATIONS IN WHICH THE BONDS MAY BE ISSUED;

7 (VII) THE MANNER IN WHICH AND THE TIMES AND PLACES THAT
8 THE PRINCIPAL OF THE BONDS IS TO BE PAID, WITHIN THE LIMITATIONS SET FORTH
9 IN THIS SECTION;

10 (VIII) PROVISIONS PURSUANT TO WHICH ANY OR ALL OF THE BONDS
11 MAY BE CALLED FOR REDEMPTION PRIOR TO THEIR STATED MATURITY DATES;

12 (IX) PROVISIONS ESTABLISHING SINKING FUNDS OR DEBT SERVICE
13 RESERVE FUNDS FOR THE BONDS;

14 (X) PROVISIONS PLEDGING OTHER ASSETS AND REVENUES
15 TOWARDS THE PAYMENTS OF THE PRINCIPAL OF AND INTEREST ON THE BONDS;

16 (XI) PROVISIONS FOR MUNICIPAL BOND INSURANCE OR ANY OTHER
17 TYPE OF FINANCIAL GUARANTY OF THE BONDS; OR

18 (XII) ANY OTHER PROVISIONS NOT INCONSISTENT WITH THIS
19 SECTION AS SHALL BE DETERMINED BY THE MAYOR AND CITY COUNCIL OF
20 BALTIMORE TO BE NECESSARY OR DESIRABLE TO EFFECT THE FINANCING OF THE
21 PROPOSED UNDERTAKING.

22 (3) (I) BEFORE THE ORDINANCE THAT DESIGNATES A SPECIAL
23 TAXING DISTRICT, AUTHORIZES THE ISSUANCE OF BONDS, OR LEVIES AD VALOREM
24 TAXES OR SPECIAL TAXES UNDER THE PROVISIONS OF THIS SECTION MAY BE
25 FINALLY ENACTED, THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL HOLD A
26 PUBLIC HEARING AFTER GIVING NOT LESS THAN 10-DAYS NOTICE IN A NEWSPAPER
27 OF GENERAL CIRCULATION IN THE CITY OF BALTIMORE.

28 (II) THE ORDINANCE ENACTED PURSUANT TO THIS SUBSECTION, IF
29 SUCH BONDS CONSTITUTE DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE
30 UNDER ARTICLE XI, § 7 OF THE MARYLAND CONSTITUTION, SHALL BE SUBMITTED TO
31 THE LEGAL VOTERS OF THE CITY OF BALTIMORE AT THE TIME AND PLACE
32 SPECIFIED THEREIN. SUCH ORDINANCE SHALL BECOME EFFECTIVE ONLY IF IT IS
33 APPROVED BY THE MAJORITY OF THE VOTES CAST AT THE TIME AND PLACE
34 SPECIFIED IN SUCH ORDINANCE.

35 (III) EXCEPT AS REQUIRED BY PARAGRAPH (II) OF THIS
36 SUBSECTION, ANY ORDINANCE OR RESOLUTION ENACTED OR ADOPTED IN
37 FURTHERANCE OF THE ORDINANCE ENACTED PURSUANT TO THIS SUBSECTION, THE
38 BONDS, THE DESIGNATION OF A SPECIAL TAXING DISTRICT, OR THE LEVY OF A

1 SPECIAL AD VALOREM TAX OR SPECIAL TAX SHALL NOT BE SUBJECT TO ANY
2 REFERENDUM.

3 (IV) THE ORDINANCE AUTHORIZING THE BONDS REQUIRED UNDER
4 THIS SUBSECTION, ANY ORDINANCE OR RESOLUTION ENACTED OR ADOPTED IN
5 FURTHERANCE OF THE REQUIRED ORDINANCE, THE BONDS, THE DESIGNATION OF A
6 SPECIAL TAXING DISTRICT, OR THE LEVY OF A SPECIAL AD VALOREM TAX OR
7 SPECIAL TAX SHALL BE SUBJECT TO THE REQUEST OF THE LANDOWNERS AS
8 SPECIFIED UNDER SUBSECTION (C)(1) OF THIS SECTION.

9 (4) THE SPECIAL FUND, ANY SINKING FUND ESTABLISHED TO PROVIDE
10 FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON ANY BONDS ISSUED BY
11 THE MAYOR AND CITY COUNCIL OF BALTIMORE UNDER THE PROVISIONS OF THIS
12 SECTION AND ANY PROCEEDS OF THE SALE OF ANY SUCH BONDS MAY BE INVESTED
13 BY THE FISCAL OFFICER OF THE MAYOR AND CITY COUNCIL OF BALTIMORE HAVING
14 CUSTODY OF SUCH FUNDS, PENDING THE EXPENDITURE THEREOF, IN THE MANNER
15 PRESCRIBED UNDER THE PROVISIONS OF ARTICLE 95, § 22 OF THE ANNOTATED CODE,
16 AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, AND ANY
17 APPLICABLE INVESTMENT POLICY ADOPTED BY THE BOARD OF FINANCE.

18 (H) THE PRINCIPAL AMOUNT OF THE BONDS, THE INTEREST PAYABLE ON THE
19 BONDS, THEIR TRANSFER, AND ANY INCOME DERIVED FROM THE TRANSFER,
20 INCLUDING ANY PROFIT MADE IN THE SALE OR TRANSFER OF THE BONDS, SHALL BE
21 EXEMPT FROM TAXATION BY THE STATE AND BY THE COUNTIES AND MUNICIPAL
22 CORPORATIONS OF THE STATE BUT SHALL BE INCLUDED, TO THE EXTENT REQUIRED
23 UNDER TITLE 8, SUBTITLE 2 OF THE TAX - GENERAL ARTICLE OF THE ANNOTATED
24 CODE, AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, IN
25 COMPUTING THE NET EARNINGS OF FINANCIAL INSTITUTIONS.

26 (I) (1) ALL BONDS MAY BE IN BEARER FORM OR IN COUPON FORM OR MAY
27 BE REGISTRABLE AS TO PRINCIPAL ALONE OR AS TO BOTH PRINCIPAL AND
28 INTEREST. EACH OF THE BONDS SHALL BE DEEMED TO BE A SECURITY AS DEFINED
29 IN § 8-102 OF THE COMMERCIAL LAW ARTICLE OF THE ANNOTATED CODE, AS
30 AMENDED, REPLACED, OR SUPPLEMENTED FROM TIME TO TIME, WHETHER OR NOT
31 IT IS EITHER ONE OF A CLASS OR SERIES OR BY ITS TERMS IS DIVISIBLE INTO A
32 CLASS OR SERIES OF INSTRUMENTS.

33 (2) ALL BONDS SHALL BE SIGNED MANUALLY OR IN FACSIMILE BY THE
34 MAYOR OF BALTIMORE, AND THE SEAL OF THE MAYOR AND CITY COUNCIL OF
35 BALTIMORE SHALL BE AFFIXED TO THE BONDS AND ATTESTED BY THE CUSTODIAN
36 OF THE CITY SEAL, MANUALLY OR BY FACSIMILE. IF ANY OFFICER WHOSE
37 SIGNATURE OR COUNTERSIGNATURE APPEARS ON THE BONDS CEASES TO BE SUCH
38 OFFICER BEFORE DELIVERY OF THE BONDS, THE OFFICER'S SIGNATURE OR
39 COUNTERSIGNATURE SHALL NEVERTHELESS BE VALID AND SUFFICIENT FOR ALL
40 PURPOSES THE SAME AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL
41 DELIVERY.

42 (3) ALL BONDS SHALL MATURE NOT LATER THAN 40 YEARS FROM THEIR
43 DATE OF ISSUANCE.

(4) ALL BONDS SHALL BE SOLD IN THE MANNER, EITHER AT PUBLIC OR PRIVATE SALE, AND UPON THE TERMS AS THE MAYOR AND CITY COUNCIL OF BALTIMORE BY ORDINANCE (OR IF AUTHORIZED IN THE ORDINANCE AUTHORIZING SUCH BONDS, THE BOARD OF FINANCE BY RESOLUTION) DEEMS BEST. ANY CONTRACT FOR THE ACQUISITION OF PROPERTY MAY PROVIDE THAT PAYMENT SHALL BE MADE IN BONDS.

(J) BONDS ISSUED UNDER THIS SECTION ARE SECURITIES:

(1) IN WHICH ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE STATE AND ITS POLITICAL SUBDIVISIONS, ALL INSURANCE COMPANIES, STATE BANKS AND TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS, SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, EXECUTORS, ADMINISTRATORS, TRUSTEES, AND OTHER FIDUCIARIES MAY PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPITAL IN THE CONTROL OR BELONGING TO THEM; AND

(2) WHICH MAY PROPERLY AND LEGALLY BE DEPOSITED WITH AND RECEIVED BY ANY STATE OR COUNTY OFFICER OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OBLIGATIONS OF THE STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED BY LAW.

(K) (1) AS AN ALTERNATIVE TO LEVYING AD VALOREM TAXES UNDER THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY LEVY SPECIAL TAXES ON PROPERTY IN A SPECIAL TAXING DISTRICT TO COVER THE COST OF INFRASTRUCTURE IMPROVEMENTS.

(2) IN DETERMINING THE BASIS FOR AND AMOUNT OF THE TAX, THE COST OF AN INFRASTRUCTURE IMPROVEMENT MAY BE CALCULATED AND LEVIED:

(I) EQUALLY PER FRONT FOOT, LOT, PARCEL, DWELLING UNIT, OR SQUARE FOOT;

(II) ACCORDING TO THE VALUE OF THE PROPERTY AS DETERMINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, WITH OR WITHOUT REGARD TO IMPROVEMENTS ON THE PROPERTY; OR

(III) IN ANY OTHER REASONABLE MANNER THAT RESULTS IN FAIRLY ALLOCATING THE COST OF THE INFRASTRUCTURE IMPROVEMENTS.

(3) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY PROVIDE BY ORDINANCE FOR:

(I) A MAXIMUM AMOUNT TO BE ASSESSED WITH RESPECT TO ANY PARCEL OF PROPERTY LOCATED WITHIN A SPECIAL TAXING DISTRICT;

(II) A TAX YEAR OR OTHER DATE AFTER WHICH NO FURTHER SPECIAL TAXES UNDER THIS SECTION SHALL BE LEVIED OR COLLECTED ON A PARCEL; AND

1 (III) THE CIRCUMSTANCES UNDER WHICH THE SPECIAL TAX LEVIED
2 AGAINST ANY PARCEL MAY BE INCREASED, IF AT ALL, AS A CONSEQUENCE OF
3 DELINQUENCY OR DEFAULT BY THE OWNER OF THAT PARCEL OR ANY OTHER
4 PARCEL WITHIN THE SPECIAL TAXING DISTRICT.

5 (4) THE MAYOR AND CITY COUNCIL OF BALTIMORE BY ORDINANCE MAY
6 ESTABLISH PROCEDURES ALLOWING FOR THE PREPAYMENT OF SPECIAL TAXES
7 UNDER THIS SECTION AND MAY PROVIDE FOR EXEMPTIONS, DEFERRALS, AND
8 CREDITS.

9 (5) SPECIAL TAXES LEVIED UNDER THIS SUBSECTION SHALL BE
10 COLLECTED AND SECURED IN THE SAME MANNER AS GENERAL AD VALOREM TAXES
11 UNLESS OTHERWISE PROVIDED IN THE ORDINANCE OR RESOLUTION AND SHALL BE
12 SUBJECT TO THE SAME PENALTIES AND THE SAME PROCEDURE, SALE, AND LIEN
13 PRIORITY IN CASE OF DELINQUENCY AS IS PROVIDED FOR GENERAL AD VALOREM
14 TAXES.

15 (L) BEFORE THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY DESIGNATE
16 AN AREA WHOLLY OR PARTLY WITHIN ANY COUNTY OR MUNICIPAL CORPORATION AS
17 A SPECIAL TAXING DISTRICT, THE GOVERNING BODY OF SUCH COUNTY OR
18 MUNICIPAL CORPORATION MUST GIVE ITS CONSENT TO THE DESIGNATION.

19 (M) BONDS ISSUED UNDER THIS SECTION ARE A SPECIAL OBLIGATION OF THE
20 MAYOR AND CITY COUNCIL OF BALTIMORE AND MAY NOT CONSTITUTE A GENERAL
21 OBLIGATION DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE OR A PLEDGE
22 OF THE MAYOR AND CITY COUNCIL OF BALTIMORE'S FULL FAITH AND CREDIT OR
23 TAXING POWER.

24 (N) A CONTRACT TO SELL REAL PROPERTY WITHIN A SPECIAL TAXING
25 DISTRICT MUST DISCLOSE TO THE BUYER ANY SPECIAL ASSESSMENT, SPECIAL TAX,
26 OR OTHER FEE OR CHARGE FOR WHICH THE BUYER WOULD BE LIABLE DUE TO THE
27 SPECIAL TAXING DISTRICT. A SELLER'S FAILURE TO PROVIDE THE DISCLOSURE
28 REQUIRED UNDER THIS SUBSECTION RENDERS THE CONTRACT VOIDABLE AT THE
29 OPTION OF THE BUYER BEFORE THE DATE OF SETTLEMENT.

30 (O) A LIEN ATTACHES TO PROPERTY WITHIN A SPECIAL TAXING DISTRICT TO
31 THE EXTENT OF THAT PROPERTY OWNERS' OBLIGATION UNDER ANY SPECIAL
32 TAXING DISTRICT FINANCING. BEFORE ANY BONDS ARE ISSUED, A DECLARATION
33 ENCUMBERING ALL REAL PROPERTY LOCATED IN THE SPECIAL TAXING DISTRICT TO
34 THE EXTENT OF SUCH FINANCING SHALL BE RECORDED IN THE LAND RECORDS OF
35 BALTIMORE CITY AND HAVE THE SAME PRIORITY AS CITY TAXES UNDER STATE AND
36 CITY LAW.

37 (P) WHENEVER THE MAYOR AND CITY COUNCIL OF BALTIMORE, AS LESSOR,
38 LEASES ITS PROPERTY WITHIN THE SPECIAL TAXING DISTRICT, THE PROPERTY
39 SHALL BE ASSESSED AND TAXED IN THE SAME MANNER AS PRIVATELY OWNED
40 PROPERTY, AND THE LEASE OR CONTRACT SHALL PROVIDE THAT THE LESSEE SHALL
41 PAY TAXES OR PAYMENTS IN LIEU OF SPECIAL TAXES UPON THE ASSESSED VALUE

1 OF THE ENTIRE PROPERTY AND NOT MERELY THE ASSESSED VALUE OF THE
2 LEASEHOLD INTEREST.

3 (Q) ANY CONTRACTS FOR THE PURCHASE OF INFRASTRUCTURE
4 IMPROVEMENTS, GOODS OR SERVICES WHICH ARE PAYABLE FROM THE PROCEEDS
5 OF BONDS SHALL NOT BE SUBJECT TO CITY REQUIREMENTS REGARDING
6 COMPETITIVE BIDDING.

7 (R) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY AND
8 THROUGH THE BOARD OF FINANCE THEREOF, IS HEREBY AUTHORIZED AND
9 EMPOWERED TO ISSUE ITS BONDS FOR THE PURPOSE OF REFUNDING ANY BONDS
10 AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS SECTION BY PAYMENT
11 AT MATURITY OR THE PURCHASE OR REDEMPTION OF BONDS IN ADVANCE OF
12 MATURITY. THE VALIDITY OF ANY REFUNDING BONDS SHALL IN NO WAY BE
13 DEPENDENT UPON OR RELATED TO THE VALIDITY OR INVALIDITY OF THE BONDS
14 BEING REFUNDED. SUCH REFUNDING BONDS MAY BE ISSUED BY THE MAYOR AND
15 CITY COUNCIL OF BALTIMORE, ACTING BY AND THROUGH THE BOARD OF FINANCE
16 THEREOF, FOR THE PURPOSE OF PROVIDING IT WITH FUNDS TO PAY ANY OF ITS
17 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
18 SECTION AT MATURITY, TO PURCHASE IN THE OPEN MARKET ANY OF ITS
19 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
20 SUBSECTION PRIOR TO THEIR MATURITY, TO REDEEM PRIOR TO THEIR MATURITY
21 ANY OUTSTANDING BONDS WHICH ARE, BY THEIR TERMS, REDEEMABLE, TO PAY
22 INTEREST ON ANY OUTSTANDING BONDS PRIOR TO THEIR PAYMENT AT MATURITY
23 OR PURCHASE OR REDEMPTION IN ADVANCE OF MATURITY, OR TO PAY ANY
24 REDEMPTION OR PURCHASE PREMIUM IN CONNECTION WITH THE REFUNDING OF
25 ANY OF ITS OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE
26 PROVISIONS OF THIS SUBSECTION.

27 (2) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
28 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED FOR THE PUBLIC
29 PURPOSE OF:

30 (I) REALIZING SAVINGS TO BALTIMORE CITY IN THE AGGREGATE
31 COST OF DEBT SERVICE ON EITHER A DIRECT COMPARISON OR PRESENT VALUE
32 BASIS; OR

33 (II) DEBT RESTRUCTURING THAT:

34 1. IN THE AGGREGATE EFFECTS SUCH A REDUCTION IN THE
35 COST OF DEBT SERVICE; OR

36 2. IS DETERMINED BY THE BOARD OF FINANCE OR THE
37 MAYOR AND CITY COUNCIL OF BALTIMORE TO BE IN THE BEST INTEREST OF
38 BALTIMORE CITY, TO BE CONSISTENT WITH BALTIMORE CITY'S LONG-TERM
39 FINANCIAL PLAN, AND TO REALIZE A FINANCIAL OBJECTIVE OF BALTIMORE CITY,
40 INCLUDING, WITHOUT LIMITATION, IMPROVING THE RELATIONSHIP OF DEBT
41 SERVICE TO A SOURCE OF PAYMENT SUCH AS TAXES, ASSESSMENTS, OR OTHER
42 CHARGES.

1 (3) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
2 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED IN WHATEVER PRINCIPAL
3 AMOUNT SHALL BE REQUIRED TO ACHIEVE THE PURPOSE FOR THE ISSUANCE OF
4 THE REFUNDING BONDS, WHICH AMOUNT MAY BE IN EXCESS OF THE PRINCIPAL
5 AMOUNT OF THE BONDS REFUNDED OR THE MAXIMUM PRINCIPAL AMOUNT OF
6 BONDS AUTHORIZED TO BE ISSUED UNDER SUBSECTION (G)(2)(II) OF THIS SECTION.

7 (4) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
8 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED TO MATURE ON SUCH
9 DATES AND IN SUCH AMOUNTS AS THE BOARD OF FINANCE MAY DETERMINE;
10 PROVIDED THAT THE ENTIRE PRINCIPAL AMOUNT REPRESENTED BY THE
11 REFUNDING BONDS SHALL BE DISCHARGED NOT MORE THAN 40 YEARS FROM THE
12 DATE OF ISSUANCE OF THE BONDS BEING REFUNDED.

13 (5) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
14 UNDER THE PROVISIONS OF THIS SECTION MAY BE SOLD AT PUBLIC SALE BY THE
15 SOLICITATION OF COMPETITIVE BIDS OR AT PRIVATE (NEGOTIATED) SALE WITHOUT
16 ADVERTISEMENT OR SOLICITATION OF COMPETITIVE BIDS, FOR A PRICE OR PRICES
17 WHICH MAY BE AT, ABOVE, OR BELOW THE PAR VALUE OF THE REFUNDING BONDS,
18 AS DETERMINED BY RESOLUTION OF THE BOARD OF FINANCE OF THE MAYOR AND
19 CITY COUNCIL OF BALTIMORE. IF THE BOARD OF FINANCE DETERMINES TO SELL
20 THE REFUNDING BONDS AT PUBLIC SALE, THE REFUNDING BONDS SHALL BE SOLD
21 TO THE HIGHEST RESPONSIBLE BIDDER OR BIDDERS THEREFOR AFTER DUE NOTICE
22 OF SUCH SALE, BUT THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY AND
23 THROUGH THE BOARD OF FINANCE THEREOF, SHALL HAVE THE RIGHT TO REJECT
24 ANY OR ALL BIDS THEREFOR FOR ANY REASON.

25 (6) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
26 UNDER THE PROVISIONS OF THIS SECTION SHALL BEAR INTEREST AT SUCH RATE OR
27 RATES AS MAY BE DETERMINED BY THE BOARD OF FINANCE OF THE MAYOR AND
28 CITY COUNCIL OF BALTIMORE, WHICH RATE OR RATES MAY BE FIXED OR VARIABLE
29 OR AS DETERMINED BY A METHOD APPROVED BY THE BOARD OF FINANCE, AND
30 SUCH INTEREST SHALL BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE
31 DETERMINED BY THE BOARD OF FINANCE.

32 (7) THE PROCEEDS OF THE SALE OF ANY REFUNDING BONDS
33 AUTHORIZED TO BE ISSUED AND SOLD UNDER THE PROVISIONS OF THIS SECTION,
34 AFTER THE PAYMENT OF ISSUANCE COSTS RELATING THERETO, SHALL BE SET
35 ASIDE BY THE MAYOR AND CITY COUNCIL OF BALTIMORE AS A SEPARATE TRUST
36 FUND TO BE USED SOLELY FOR THE PURPOSES STATED IN THIS SUBSECTION.

37 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
38 POWERS GRANTED IN, THE LIMITATIONS AND OBLIGATIONS IMPOSED BY, AND THE
39 PROCEDURES SPECIFIED IN THIS SECTION WITH RESPECT TO THE ISSUANCE OF
40 BONDS SHALL BE APPLICABLE TO THE ISSUANCE OF REFUNDING BONDS.

41 (9) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
42 UNDER THE PROVISIONS OF THIS SECTION SHALL NOT BE SUBJECT TO ANY DEBT

1 POLICY LIMITATION THAT MAY FROM TIME TO TIME BE ESTABLISHED BY THE
2 MAYOR AND CITY COUNCIL OF BALTIMORE.

3 (S) THE POWERS GRANTED UNDER THIS SECTION SHALL BE REGARDED AS
4 SUPPLEMENTAL AND ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS, AND
5 MAY NOT BE REGARDED AS IN DEROGATION OF ANY POWERS NOW EXISTING.

6 (T) THIS SECTION, BEING NECESSARY FOR THE WELFARE OF THE CITY OF
7 BALTIMORE AND OF ITS RESIDENTS, SHALL BE LIBERALLY CONSTRUED TO EFFECT
8 THE PURPOSE STATED IN SUBSECTION (C)(2) OF THIS SECTION.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2001.