

SENATE BILL 805

Unofficial Copy
Q8

2001 Regular Session
11r2665
CF 11r2666

By: **Senators McFadden and Hoffman (Baltimore City Administration)**

Introduced and read first time: February 14, 2001

Assigned to: Rules

Re-referred to: Budget and Taxation, February 21, 2001

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2001

CHAPTER _____

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~~ districts, levy ad valorem or special taxes, and
5 issue bonds or other obligations for certain infrastructure improvements;
6 defining certain terms; authorizing the Mayor and City Council of Baltimore to
7 borrow money by selling certain bonds to pay the cost of certain infrastructure
8 improvements under certain circumstances; requiring the Mayor and City
9 Council of Baltimore to designate certain areas as certain special taxing
10 districts prior to issuing bonds; requiring the Mayor and City Council of
11 Baltimore to provide for the levy of a certain ad valorem or special tax on certain
12 real and personal property; requiring the creation of a certain special ~~fund~~ funds
13 for the special taxing districts; providing for the termination of ~~the a~~ special
14 taxing district and the disbursement of the special fund in certain
15 circumstances; requiring the Mayor and City Council of Baltimore to enact a
16 certain ordinance in order to implement the authority to issue certain bonds;
17 providing that the ordinance shall be subject to a certain referendum under
18 certain circumstances; providing that, subject to a certain exception, certain
19 actions are not subject to referendum; requiring certain notice and a certain
20 public hearing prior to the Mayor and City Council of Baltimore enacting a
21 certain ordinance; providing that certain bonds are exempt from certain State,
22 county, and municipal corporation taxes; providing for the form, signature
23 requirements, maturity, and manner of sale of certain bonds; providing that
24 bonds issued under this Act are securities; authorizing the Mayor and City
25 Council of Baltimore to levy special taxes on certain property in a special taxing
26 district as an alternative to levying an ad valorem tax; requiring consent by a
27 certain governing body for designation as a special taxing district; requiring that

1 the bonds issued under this Act are a special obligation and not a general
 2 obligation debt of the Mayor and City Council of Baltimore; requiring a certain
 3 contract to sell real property within a certain special taxing district to disclose
 4 any special tax for which the buyer would be liable due to the special taxing
 5 district; providing for a certain lien which attaches to certain property within a
 6 certain special taxing district; requiring that when the Mayor and City of
 7 Baltimore ~~lease~~ leases property within a certain special taxing district, the
 8 property shall be assessed and taxed the same as privately owned property;
 9 ~~prohibiting competitive bidding for contracts for the purchase of certain~~
 10 ~~infrastructure improvements which are payable from the proceeds of certain~~
 11 ~~bonds~~; authorizing the Mayor and City Council of Baltimore to refund certain
 12 bonds under certain circumstances; providing that the powers granted under
 13 this Act shall be supplemental and additional to powers conferred by other laws;
 14 and generally relating to authorizing the Mayor and City Council of Baltimore
 15 to create a certain special taxing ~~district~~ districts, levy ad valorem or special
 16 taxes, and issue bonds or other obligations for certain infrastructure
 17 improvements.

18 BY adding to
 19 The Charter of Baltimore City
 20 Article II - General Powers
 21 Section (62A)
 22 (1996 Edition, as amended)

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

25 **The Charter of Baltimore City**

26 Article II - General Powers

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

33 (62A)

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

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

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

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

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

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

16 (I) CONSTRUCTION, RECONSTRUCTION, AND RENOVATION AND
17 PURCHASING, LEASING, CONDEMNING, OR OTHERWISE ACQUIRING ANY LANDS,
18 STRUCTURES, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY,
19 FRANCHISES, EASEMENTS, AND INTERESTS ACQUIRED OR TO BE ACQUIRED BY THE
20 MAYOR AND CITY COUNTY OF BALTIMORE;

21 (II) ALL MACHINERY AND EQUIPMENT INCLUDING MACHINERY
22 AND EQUIPMENT NEEDED TO EXPAND OR ENHANCE CITY SERVICES TO THE SPECIAL
23 TAXING DISTRICT;

24 (III) FINANCING CHARGES AND INTEREST PRIOR TO AND DURING
25 CONSTRUCTION, AND, IF DEEMED ADVISABLE BY THE MAYOR AND CITY COUNCIL OF
26 BALTIMORE, FOR A LIMITED PERIOD AFTER COMPLETION OF THE CONSTRUCTION,
27 INTEREST AND RESERVES FOR PRINCIPAL AND INTEREST, INCLUDING COSTS OF
28 MUNICIPAL BOND INSURANCE AND ANY OTHER TYPE OF FINANCIAL GUARANTY AND
29 COSTS OF ISSUANCE;

30 (IV) EXTENSIONS, ENLARGEMENTS, ADDITIONS, AND
31 IMPROVEMENTS;

32 (V) ARCHITECTURAL, ENGINEERING, FINANCIAL, AND LEGAL
33 SERVICES;

34 (VI) PLANS, SPECIFICATIONS, STUDIES, SURVEYS, AND ESTIMATES
35 OF COST AND OF REVENUES;

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

38 (VIII) SITE REMOVAL;

1 (IX) RELOCATION OF BUSINESSES AND RESIDENTS; AND

2 (X) OTHER EXPENSES AS MAY BE NECESSARY OR INCIDENT TO THE
3 CONSTRUCTION, ACQUISITION, AND FINANCING OF THE INFRASTRUCTURE
4 IMPROVEMENTS.

5 (3) "INFRASTRUCTURE IMPROVEMENT" MEANS ADEQUATE STORM
6 DRAINAGE SYSTEMS, SEWERS, WATER SYSTEMS, ROADS, BRIDGES, CULVERTS,
7 TUNNELS, STREETS, SIDEWALKS, LIGHTING, SURFACE PARKING, PLAYGROUNDS,
8 PARKS AND RECREATION FACILITIES, LIBRARIES, SCHOOLS, TRANSIT FACILITIES,
9 SOLID WASTE FACILITIES, BUILDINGS DEVOTED TO A GOVERNMENTAL USE OR
10 PURPOSE, STRUCTURED PARKING FACILITIES THAT ARE PUBLICLY OWNED OR
11 PRIVATELY OWNED, BUT SERVE A PUBLIC PURPOSE, AND OTHER INFRASTRUCTURE
12 IMPROVEMENTS AS NECESSARY FOR THE DEVELOPMENT AND UTILIZATION OF THE
13 LAND, WITH RESPECT TO ANY DEFINED GEOGRAPHIC REGION WITHIN THE CITY OF
14 BALTIMORE.

15 (C) (1) IN ADDITION TO OTHER POWERS THE MAYOR AND CITY COUNCIL OF
16 BALTIMORE MAY HAVE, AND NOTWITHSTANDING THE PROVISIONS OF ANY OTHER
17 PUBLIC LAW, PUBLIC GENERAL LAW, OR THE BALTIMORE CITY CHARTER, THE MAYOR
18 AND CITY COUNCIL OF BALTIMORE MAY BORROW MONEY BY ISSUING AND SELLING
19 BONDS FOR THE PURPOSE STATED IN SUBSECTION (A)(2) OF THIS SECTION IF A
20 REQUEST TO THE MAYOR AND CITY COUNCIL OF BALTIMORE IS MADE BY BOTH:

21 (I) THE OWNERS OF AT LEAST TWO-THIRDS OF THE ASSESSED
22 VALUATION OF THE REAL PROPERTY LOCATED WITHIN THE SPECIAL TAXING
23 DISTRICT; AND

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

26 1. MULTIPLE OWNERS OF A SINGLE PARCEL ARE TREATED
27 AS A SINGLE OWNER; AND

28 2. A SINGLE OWNER OF MULTIPLE PARCELS IS TREATED AS
29 ONE OWNER.

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

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

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

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

3 (II) COSTS OF ISSUING BONDS;

4 (III) PAYMENT OF THE PRINCIPAL AND INTEREST ON LOANS,
5 MONEY ADVANCES, OR INDEBTEDNESS INCURRED BY THE MAYOR AND CITY
6 COUNCIL OF BALTIMORE FOR ANY OF THE PURPOSES STATED IN SUBSECTION (A)(2)
7 OF THIS SECTION, INCLUDING THE REFUNDING OF BONDS PREVIOUSLY ISSUED
8 UNDER THIS SECTION; AND

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

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

14 (I) DESIGNATE AN AREA OR AREAS AS A SPECIAL TAXING
15 DISTRICT;

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

18 (III) PROVIDE FOR THE LEVY OF AN AD VALOREM OR SPECIAL TAX
19 ON ALL REAL AND PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AT
20 A RATE OR AMOUNT DESIGNED TO PROVIDE ADEQUATE REVENUES TO PAY THE
21 PRINCIPAL OF, INTEREST ON, AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS,
22 TO REPLENISH ANY DEBT SERVICE RESERVE FUND, AND FOR ANY OTHER PURPOSE
23 RELATED TO THE ONGOING EXPENSES OF OR SECURITY FOR THE BONDS. AD
24 VALOREM TAXES SHALL BE LEVIED IN THE SAME MANNER, UPON THE SAME
25 ASSESSMENTS, FOR THE SAME PERIOD OR PERIODS, AND AS OF THE SAME DATE OR
26 DATES OF FINALITY AS ARE NOW OR MAY HEREAFTER BE PRESCRIBED FOR
27 GENERAL AD VALOREM TAX PURPOSES WITHIN THE DISTRICT, AND SHALL BE
28 DISCONTINUED WHEN ALL OF THE BONDS HAVE BEEN PAID IN FULL. SPECIAL TAXES
29 SHALL BE LEVIED PURSUANT TO SUBSECTION (K) OF THIS SECTION.

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

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

35 (II) REQUIRE THAT THE PROCEEDS FROM THE TAX BE PAID INTO
36 THE SPECIAL FUND;

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

1 (IV) PROVIDE THAT THE MAXIMUM SPECIAL ASSESSMENTS,
2 SPECIAL TAXES, OR OTHER FEES OR CHARGES APPLICABLE TO ANY INDIVIDUAL
3 PROPERTY MAY NOT BE INCREASED IN THE EVENT THAT OTHER PROPERTY OWNERS
4 BECOME DELINQUENT IN THE PAYMENT OF A SPECIAL ASSESSMENT, SPECIAL TAX,
5 OR OTHER FEE OR CHARGE SECURING SPECIAL OBLIGATION DEBT ISSUED UNDER
6 THIS SECTION.

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

10 1. ALL OR ANY PART OF THE REVENUES AND RECEIPTS
11 FROM THE SPECIAL TAXES TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE
12 BONDS; AND

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

17 (II) THE REVENUES AND RECEIPTS MAY NOT BE IRREVOCABLY
18 PLEDGED TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST AND THE
19 OBLIGATION TO PAY SUCH PRINCIPAL AND INTEREST FROM SUCH REVENUES AND
20 RECEIPTS SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE MAYOR AND CITY
21 COUNCIL OF BALTIMORE.

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

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

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

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

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

33 (II) SPECIFIES THE MAXIMUM PRINCIPAL AMOUNT OF BONDS TO
34 BE ISSUED;

35 (III) SPECIFIES THE MAXIMUM RATE OR RATES OF INTEREST FOR
36 THE BONDS; AND

37 (IV) AGREES TO A COVENANT TO LEVY UPON ALL REAL AND
38 PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AD VALOREM TAXES

1 OR SPECIAL TAXES IN RATE AND AMOUNT AT LEAST SUFFICIENT IN EACH YEAR IN
2 WHICH ANY OF THE BONDS ARE OUTSTANDING TO PROVIDE FOR THE PAYMENT OF
3 THE PRINCIPAL OF AND THE INTEREST ON THE BONDS.

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

7 (I) THE ACTUAL PRINCIPAL AMOUNT OF THE BONDS TO BE
8 ISSUED;

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

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

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

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

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

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

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

23 (IX) PROVISIONS ESTABLISHING SINKING FUNDS OR DEBT SERVICE
24 RESERVE FUNDS FOR THE BONDS;

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

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

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

33 (3) (I) BEFORE THE ORDINANCE THAT DESIGNATES A SPECIAL
34 TAXING DISTRICT, AUTHORIZES THE ISSUANCE OF BONDS, OR LEVIES AD VALOREM
35 TAXES OR SPECIAL TAXES UNDER THE PROVISIONS OF THIS SECTION MAY BE
36 FINALLY ENACTED, THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL HOLD A

1 PUBLIC HEARING AFTER GIVING NOT LESS THAN 10-DAYS NOTICE IN A NEWSPAPER
2 OF GENERAL CIRCULATION IN THE CITY OF BALTIMORE.

3 (II) THE ORDINANCE ENACTED PURSUANT TO THIS SUBSECTION, IF
4 SUCH BONDS CONSTITUTE DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE
5 UNDER ARTICLE XI, § 7 OF THE MARYLAND CONSTITUTION, SHALL BE SUBMITTED TO
6 THE LEGAL VOTERS OF THE CITY OF BALTIMORE AT THE TIME AND PLACE
7 SPECIFIED THEREIN. SUCH ORDINANCE SHALL BECOME EFFECTIVE ONLY IF IT IS
8 APPROVED BY THE MAJORITY OF THE VOTES CAST AT THE TIME AND PLACE
9 SPECIFIED IN SUCH ORDINANCE.

10 (III) EXCEPT AS REQUIRED BY ~~PARAGRAPH~~ SUBPARAGRAPH(II) OF
11 ~~THIS SUBSECTION~~ PARAGRAPH, ANY ORDINANCE OR RESOLUTION ENACTED OR
12 ADOPTED IN FURTHERANCE OF THE ORDINANCE ENACTED PURSUANT TO THIS
13 SUBSECTION, THE BONDS, THE DESIGNATION OF A SPECIAL TAXING DISTRICT, OR
14 THE LEVY OF A SPECIAL AD VALOREM TAX OR SPECIAL TAX SHALL NOT BE SUBJECT
15 TO ANY REFERENDUM.

16 (IV) THE ORDINANCE AUTHORIZING THE BONDS REQUIRED UNDER
17 THIS SUBSECTION, ANY ORDINANCE OR RESOLUTION ENACTED OR ADOPTED IN
18 FURTHERANCE OF THE REQUIRED ORDINANCE, THE BONDS, THE DESIGNATION OF A
19 SPECIAL TAXING DISTRICT, OR THE LEVY OF A SPECIAL AD VALOREM TAX OR
20 SPECIAL TAX SHALL BE SUBJECT TO THE REQUEST OF THE LANDOWNERS AS
21 SPECIFIED UNDER SUBSECTION (C)(1) OF THIS SECTION.

22 (4) THE SPECIAL FUND, ANY SINKING FUND ESTABLISHED TO PROVIDE
23 FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON ANY BONDS ISSUED BY
24 THE MAYOR AND CITY COUNCIL OF BALTIMORE UNDER THE PROVISIONS OF THIS
25 SECTION AND ANY PROCEEDS OF THE SALE OF ANY SUCH BONDS MAY BE INVESTED
26 BY THE FISCAL OFFICER OF THE MAYOR AND CITY COUNCIL OF BALTIMORE HAVING
27 CUSTODY OF SUCH FUNDS, PENDING THE EXPENDITURE THEREOF, IN THE MANNER
28 PRESCRIBED UNDER THE PROVISIONS OF ARTICLE 95, § 22 OF THE ANNOTATED CODE,
29 AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, AND ANY
30 APPLICABLE INVESTMENT POLICY ADOPTED BY THE BOARD OF FINANCE.

31 (H) THE PRINCIPAL AMOUNT OF THE BONDS, THE INTEREST PAYABLE ON THE
32 BONDS, THEIR TRANSFER, AND ANY INCOME DERIVED FROM THE TRANSFER,
33 INCLUDING ANY PROFIT MADE IN THE SALE OR TRANSFER OF THE BONDS, SHALL BE
34 EXEMPT FROM TAXATION BY THE STATE AND BY THE COUNTIES AND MUNICIPAL
35 CORPORATIONS OF THE STATE ~~BUT SHALL BE INCLUDED, TO THE EXTENT REQUIRED~~
36 ~~UNDER TITLE 8, SUBTITLE 2 OF THE TAX – GENERAL ARTICLE OF THE ANNOTATED~~
37 ~~CODE, AS AMENDED, REPLACED OR SUPPLEMENTED FROM TIME TO TIME, IN~~
38 ~~COMPUTING THE NET EARNINGS OF FINANCIAL INSTITUTIONS.~~

39 (I) (1) ALL BONDS MAY BE IN BEARER FORM OR IN COUPON FORM OR MAY
40 BE REGISTRABLE AS TO PRINCIPAL ALONE OR AS TO BOTH PRINCIPAL AND
41 INTEREST. EACH OF THE BONDS SHALL BE DEEMED TO BE A SECURITY AS DEFINED
42 IN § 8-102 OF THE COMMERCIAL LAW ARTICLE OF THE ANNOTATED CODE, AS
43 AMENDED, REPLACED, OR SUPPLEMENTED FROM TIME TO TIME, WHETHER OR NOT

1 IT IS EITHER ONE OF A CLASS OR SERIES OR BY ITS TERMS IS DIVISIBLE INTO A
2 CLASS OR SERIES OF INSTRUMENTS.

3 (2) ALL BONDS SHALL BE SIGNED MANUALLY OR IN FACSIMILE BY THE
4 MAYOR OF BALTIMORE, AND THE SEAL OF THE MAYOR AND CITY COUNCIL OF
5 BALTIMORE SHALL BE AFFIXED TO THE BONDS AND ATTESTED BY THE CUSTODIAN
6 OF THE CITY SEAL, MANUALLY OR BY FACSIMILE. IF ANY OFFICER WHOSE
7 SIGNATURE OR COUNTERSIGNATURE APPEARS ON THE BONDS CEASES TO BE SUCH
8 OFFICER BEFORE DELIVERY OF THE BONDS, THE OFFICER'S SIGNATURE OR
9 COUNTERSIGNATURE SHALL NEVERTHELESS BE VALID AND SUFFICIENT FOR ALL
10 PURPOSES THE SAME AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL
11 DELIVERY.

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

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

20 (J) BONDS ISSUED UNDER THIS SECTION ARE SECURITIES:

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

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

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

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

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

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

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

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

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

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

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

17 (4) THE MAYOR AND CITY COUNCIL OF BALTIMORE BY ORDINANCE MAY
18 ESTABLISH PROCEDURES ALLOWING FOR THE PREPAYMENT OF SPECIAL TAXES
19 UNDER THIS SECTION AND MAY PROVIDE FOR EXEMPTIONS, DEFERRALS, AND
20 CREDITS.

21 (5) SPECIAL TAXES LEVIED UNDER THIS SUBSECTION SHALL BE
22 COLLECTED AND SECURED IN THE SAME MANNER AS GENERAL AD VALOREM TAXES
23 UNLESS OTHERWISE PROVIDED IN THE ORDINANCE OR RESOLUTION AND SHALL BE
24 SUBJECT TO THE SAME PENALTIES AND THE SAME PROCEDURE, SALE, AND LIEN
25 PRIORITY IN CASE OF DELINQUENCY AS IS PROVIDED FOR GENERAL AD VALOREM
26 TAXES.

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

31 (M) BONDS ISSUED UNDER THIS SECTION ARE A SPECIAL OBLIGATION OF THE
32 MAYOR AND CITY COUNCIL OF BALTIMORE AND MAY NOT CONSTITUTE A GENERAL
33 OBLIGATION DEBT OF THE MAYOR AND CITY COUNCIL OF BALTIMORE OR A PLEDGE
34 OF THE MAYOR AND CITY COUNCIL OF BALTIMORE'S FULL FAITH AND CREDIT OR
35 TAXING POWER.

36 (N) A CONTRACT TO SELL REAL PROPERTY WITHIN A SPECIAL TAXING
37 DISTRICT MUST DISCLOSE TO THE BUYER ANY SPECIAL ASSESSMENT, SPECIAL TAX,
38 OR OTHER FEE OR CHARGE FOR WHICH THE BUYER WOULD BE LIABLE DUE TO THE
39 SPECIAL TAXING DISTRICT. A SELLER'S FAILURE TO PROVIDE THE DISCLOSURE

1 REQUIRED UNDER THIS SUBSECTION RENDERS THE CONTRACT VOIDABLE AT THE
2 OPTION OF THE BUYER BEFORE THE DATE OF SETTLEMENT.

3 (O) A LIEN ATTACHES TO PROPERTY WITHIN A SPECIAL TAXING DISTRICT TO
4 THE EXTENT OF THAT PROPERTY OWNERS' OBLIGATION UNDER ANY SPECIAL
5 TAXING DISTRICT FINANCING. BEFORE ANY BONDS ARE ISSUED, A DECLARATION
6 ENCUMBERING ALL REAL PROPERTY LOCATED IN THE SPECIAL TAXING DISTRICT TO
7 THE EXTENT OF SUCH FINANCING SHALL BE RECORDED IN THE LAND RECORDS OF
8 BALTIMORE CITY AND HAVE THE SAME PRIORITY AS CITY TAXES UNDER STATE AND
9 CITY LAW.

10 (P) WHENEVER THE MAYOR AND CITY COUNCIL OF BALTIMORE, AS LESSOR,
11 LEASES ITS PROPERTY WITHIN THE SPECIAL TAXING DISTRICT, THE PROPERTY
12 SHALL BE ASSESSED AND TAXED IN THE SAME MANNER AS PRIVATELY OWNED
13 PROPERTY, AND THE LEASE OR CONTRACT SHALL PROVIDE THAT THE LESSEE SHALL
14 PAY TAXES OR PAYMENTS IN LIEU OF SPECIAL TAXES UPON THE ASSESSED VALUE
15 OF THE ENTIRE PROPERTY AND NOT MERELY THE ASSESSED VALUE OF THE
16 LEASEHOLD INTEREST.

17 ~~(Q) ANY CONTRACTS FOR THE PURCHASE OF INFRASTRUCTURE~~
18 ~~IMPROVEMENTS, GOODS OR SERVICES WHICH ARE PAYABLE FROM THE PROCEEDS~~
19 ~~OF BONDS SHALL NOT BE SUBJECT TO CITY REQUIREMENTS REGARDING~~
20 ~~COMPETITIVE BIDDING.~~

21 ~~(R)~~ (Q) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY
22 AND THROUGH THE BOARD OF FINANCE THEREOF, IS HEREBY AUTHORIZED AND
23 EMPOWERED TO ISSUE ITS BONDS FOR THE PURPOSE OF REFUNDING ANY BONDS
24 AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS SECTION BY PAYMENT
25 AT MATURITY OR THE PURCHASE OR REDEMPTION OF BONDS IN ADVANCE OF
26 MATURITY. THE VALIDITY OF ANY REFUNDING BONDS SHALL IN NO WAY BE
27 DEPENDENT UPON OR RELATED TO THE VALIDITY OR INVALIDITY OF THE BONDS
28 BEING REFUNDED. SUCH REFUNDING BONDS MAY BE ISSUED BY THE MAYOR AND
29 CITY COUNCIL OF BALTIMORE, ACTING BY AND THROUGH THE BOARD OF FINANCE
30 THEREOF, FOR THE PURPOSE OF PROVIDING IT WITH FUNDS TO PAY ANY OF ITS
31 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
32 SECTION AT MATURITY, TO PURCHASE IN THE OPEN MARKET ANY OF ITS
33 OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE PROVISIONS OF THIS
34 SUBSECTION PRIOR TO THEIR MATURITY, TO REDEEM PRIOR TO THEIR MATURITY
35 ANY OUTSTANDING BONDS WHICH ARE, BY THEIR TERMS, REDEEMABLE, TO PAY
36 INTEREST ON ANY OUTSTANDING BONDS PRIOR TO THEIR PAYMENT AT MATURITY
37 OR PURCHASE OR REDEMPTION IN ADVANCE OF MATURITY, OR TO PAY ANY
38 REDEMPTION OR PURCHASE PREMIUM IN CONNECTION WITH THE REFUNDING OF
39 ANY OF ITS OUTSTANDING BONDS AUTHORIZED TO BE ISSUED UNDER THE
40 PROVISIONS OF THIS SUBSECTION.

41 (2) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
42 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED FOR THE PUBLIC
43 PURPOSE OF:

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

4 (II) DEBT RESTRUCTURING THAT:

5 1. IN THE AGGREGATE EFFECTS SUCH A REDUCTION IN THE
6 COST OF DEBT SERVICE; OR

7 2. IS DETERMINED BY THE BOARD OF FINANCE OR THE
8 MAYOR AND CITY COUNCIL OF BALTIMORE TO BE IN THE BEST INTEREST OF
9 BALTIMORE CITY, TO BE CONSISTENT WITH BALTIMORE CITY'S LONG-TERM
10 FINANCIAL PLAN, AND TO REALIZE A FINANCIAL OBJECTIVE OF BALTIMORE CITY,
11 INCLUDING, WITHOUT LIMITATION, IMPROVING THE RELATIONSHIP OF DEBT
12 SERVICE TO A SOURCE OF PAYMENT SUCH AS TAXES, ASSESSMENTS, OR OTHER
13 CHARGES.

14 (3) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
15 UNDER THE PROVISIONS OF THIS SECTION MAY BE ISSUED IN WHATEVER PRINCIPAL
16 AMOUNT SHALL BE REQUIRED TO ACHIEVE THE PURPOSE FOR THE ISSUANCE OF
17 THE REFUNDING BONDS, WHICH AMOUNT MAY BE IN EXCESS OF THE PRINCIPAL
18 AMOUNT OF THE BONDS REFUNDED OR THE MAXIMUM PRINCIPAL AMOUNT OF
19 BONDS AUTHORIZED TO BE ISSUED UNDER SUBSECTION (G)(2)~~(H)~~(1) OF THIS SECTION.

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

26 (5) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
27 UNDER THE PROVISIONS OF THIS SECTION MAY BE SOLD AT PUBLIC SALE BY THE
28 SOLICITATION OF COMPETITIVE BIDS OR AT PRIVATE (NEGOTIATED) SALE WITHOUT
29 ADVERTISEMENT OR SOLICITATION OF COMPETITIVE BIDS, FOR A PRICE OR PRICES
30 WHICH MAY BE AT, ABOVE, OR BELOW THE PAR VALUE OF THE REFUNDING BONDS,
31 AS DETERMINED BY RESOLUTION OF THE BOARD OF FINANCE OF THE MAYOR AND
32 CITY COUNCIL OF BALTIMORE. IF THE BOARD OF FINANCE DETERMINES TO SELL
33 THE REFUNDING BONDS AT PUBLIC SALE, THE REFUNDING BONDS SHALL BE SOLD
34 TO THE HIGHEST RESPONSIBLE BIDDER OR BIDDERS THEREFOR AFTER DUE NOTICE
35 OF SUCH SALE, BUT THE MAYOR AND CITY COUNCIL OF BALTIMORE, ACTING BY AND
36 THROUGH THE BOARD OF FINANCE THEREOF, SHALL HAVE THE RIGHT TO REJECT
37 ANY OR ALL BIDS THEREFOR FOR ANY REASON.

38 (6) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
39 UNDER THE PROVISIONS OF THIS SECTION SHALL BEAR INTEREST AT SUCH RATE OR
40 RATES AS MAY BE DETERMINED BY THE BOARD OF FINANCE OF THE MAYOR AND
41 CITY COUNCIL OF BALTIMORE, WHICH RATE OR RATES MAY BE FIXED OR VARIABLE
42 OR AS DETERMINED BY A METHOD APPROVED BY THE BOARD OF FINANCE, AND

1 SUCH INTEREST SHALL BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE
2 DETERMINED BY THE BOARD OF FINANCE.

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

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

12 (9) ANY REFUNDING BONDS AUTHORIZED TO BE ISSUED AND SOLD
13 UNDER THE PROVISIONS OF THIS SECTION SHALL NOT BE SUBJECT TO ANY DEBT
14 POLICY LIMITATION THAT MAY FROM TIME TO TIME BE ESTABLISHED BY THE
15 MAYOR AND CITY COUNCIL OF BALTIMORE.

16 ~~(S)~~ (R) THE POWERS GRANTED UNDER THIS SECTION SHALL BE REGARDED
17 AS SUPPLEMENTAL AND ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS, AND
18 MAY NOT BE REGARDED AS IN DEROGATION OF ANY POWERS NOW EXISTING.

19 ~~(T)~~ (S) THIS SECTION, BEING NECESSARY FOR THE WELFARE OF THE CITY
20 OF BALTIMORE AND OF ITS RESIDENTS, SHALL BE LIBERALLY CONSTRUED TO
21 EFFECT THE PURPOSE STATED IN SUBSECTION ~~(C)~~(A)(2) OF THIS SECTION.

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