

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL NO. 434

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 11, after “circumstances;” insert “authorizing county governing bodies to enter into certain interest rate exchange agreements under certain circumstances;”; and after line 22, insert:

“BY adding to

Article 31 - Debt - Public

Section 34

Annotated Code of Maryland

(1997 Replacement Volume and 2002 Supplement)”.”

AMENDMENT NO. 2

On page 4, after line 30, insert:

“Article 31 - Debt - Public

34.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “BONDS” MEANS GENERAL OBLIGATION BONDS OR NOTES, REVENUE BONDS OR NOTES, OR OTHER EVIDENCES OF OBLIGATIONS BY WHATEVER NAME KNOWN OR SOURCE OF FUNDS SECURED, ISSUED BY A COUNTY.

(3) “COUNTY” MEANS ANY COUNTY IN THE STATE OR BALTIMORE CITY.

(Over)

(B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TO IMPROVE THE MANAGEMENT OF DEBT SERVICE OR INTEREST RATE RISKS ON ITS BONDS OR TO REDUCE THE COST OF SERVICING ITS BONDS, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY MAY ENACT, BY LOCAL LAW OR RESOLUTION, AUTHORITY FOR THE COUNTY TO:

(I) ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS OR CONTRACTS PROVIDING FOR PAYMENTS BASED ON LEVELS OF OR CHANGES IN INTEREST RATES, OR COMBINATIONS OF THE FOREGOING; AND

(II) APPOINT ANY AGENTS NECESSARY TO IMPLEMENT AND ADMINISTER SUCH AGREEMENTS OR CONTRACTS.

(2) (I) A COUNTY THAT PROPOSES TO ENTER INTO ONE OR MORE INTEREST RATE EXCHANGE AGREEMENTS OR CONTRACTS SHALL ENACT A LOCAL LAW OR RESOLUTION THAT SHALL AUTHORIZE THE TRANSACTION UPON THE TERMS AND CONDITIONS ESTABLISHED BY THE COUNTY IN THE LAW OR RESOLUTION.

(II) 1. IN THE LAW OR RESOLUTION THAT AUTHORIZES THE TRANSACTION OR IN A SEPARATE RESOLUTION, THE COUNTY MAY PROVIDE FOR THE FINAL FORM OF THE AGREEMENT OR CONTRACT AND THE FINAL TERMS AND PROVISIONS OF THE AGREEMENT OR CONTRACT, AFTER GIVING DUE CONSIDERATION TO THE CREDITWORTHINESS OF THE COUNTERPARTY OR COUNTERPARTIES.

2. THE COUNTY MAY DELEGATE TO AN OFFICER, OFFICIAL, BOARD, OR AGENCY OF THE COUNTY SPECIFIED IN THE LAW OR RESOLUTION THE POWER TO PROVIDE FOR THE FINAL FORM OR THE AGREEMENT OR CONTRACT AND THE FINAL TERMS AND PROVISIONS OF THE AGREEMENT OR CONTRACT, AFTER GIVING DUE CONSIDERATION TO THE CREDITWORTHINESS OF THE COUNTERPARTY OR COUNTERPARTIES.

(3) AN INTEREST RATE EXCHANGE AGREEMENT OR CONTRACT MAY BE ENTERED INTO IN CONNECTION WITH, OR INCIDENTAL TO, ANY BONDS OF THE COUNTY PRIOR TO, AT THE TIME OF, OR SUBSEQUENT TO, THE ISSUANCE OF ANY OF THOSE BONDS.”.

