

SENATE BILL 24

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B3

2004 Regular Session
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(PRE-FILED)

By: **Cecil County Senators**

Requested: November 14, 2003

Introduced and read first time: January 14, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Cecil County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of Cecil
4 County, from time to time, to borrow not more than \$19,083,463 in order to
5 finance the cost of the construction and improvement of certain public facilities
6 in Cecil County and to effect that borrowing by the issuance and sale at public or
7 private sale of its general obligation bonds in like amount; empowering the
8 County to fix and determine, by resolution, the form, tenor, interest rate or rates
9 or method of determining the same, terms, conditions, maturities, and all other
10 details incident to the issuance and sale of the bonds; empowering the County to
11 issue refunding bonds for the purchase or redemption of bonds in advance of
12 maturity; empowering and directing the County to levy, impose, and collect,
13 annually, ad valorem taxes in rate and amount sufficient to provide funds for
14 the payment of the maturing principal of and interest on the bonds; exempting
15 the bonds and refunding bonds, and the interest thereon and any income
16 derived therefrom, from all State, county, municipal, and other taxation in the
17 State of Maryland; and relating generally to the issuance and sale of the bonds
18 by Cecil County.

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That, as used in this Act, the term "County" means that body politic
21 and corporate of the State of Maryland known as the County Commissioners of Cecil
22 County; and the term "construction and improvement of public facilities" means the
23 alteration, construction, reconstruction, enlargement, expansion, extension,
24 improvement, replacement, rehabilitation, renovation, upgrading and repair, and
25 related architectural, financial, legal, planning, designing, or engineering services, for
26 public capital projects in Cecil County, including any finance charges or interest prior
27 to or during such financing and any other costs or expenditures incurred by the
28 County in connection with the projects.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
30 authorized to finance any part or all of the costs of the public facilities described in
31 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
32 one time or from time to time, in an amount not exceeding, in the aggregate,
33 \$19,083,463 and to evidence its borrowing by the issuance and sale upon its full faith

1 and credit of general obligation bonds in like amount, which may be issued at one
2 time or from time to time, in one or more groups or series, as the County may
3 determine.

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

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

30 In case any officer whose signature appears on any bond ceases to be such
31 officer before delivery, the signature shall nevertheless be valid and sufficient for all
32 purposes as if the officer had remained in office until delivery. The bonds and their
33 issue and sale shall be exempt from the provisions of Sections 9, 10, and 11 of Article
34 31 of the Annotated Code of Maryland, as amended.

35 If the County determines in the resolution to offer any of the bonds by
36 solicitation of competitive bids at public sale, the resolution shall fix the terms and
37 conditions of the public sale and shall adopt a form of notice of sale, which shall
38 outline the terms and conditions, and a form of advertisement, which shall be
39 published in one or more daily or weekly newspapers having a general circulation in
40 the County and which may also be published in one or more journals having a
41 circulation primarily among banks and investment bankers. At least one publication
42 of the advertisement shall be made not less than 10 days before the sale of bonds.

43 Upon delivery of any bonds to the purchaser or purchasers, payment shall be
44 made to the Treasurer of Cecil County or such other official of the County as may be

1 designated to receive payment in a resolution passed by the County Commissioners of
2 Cecil County before delivery.

3 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
4 sale of bonds shall be used and applied exclusively and solely for the public facilities
5 for which the bonds are sold.

6 If the net proceeds of the sale of any issue of bonds exceeds the amount needed
7 to finance the public facilities described in the resolution, the excess funds shall be
8 applied to the payment of the next principal maturity of the bonds or to the
9 redemption of any part of the bonds which have been made redeemable or to the
10 purchase and cancellation of bonds, unless the County adopts a resolution allocating
11 the excess funds to the construction, improvement, or development of other public
12 facilities.

13 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
14 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
15 faith and credit and unlimited taxing power of the County to the payment of the
16 maturing principal of and interest on the bonds as and when they become payable. In
17 each and every fiscal year that any of the bonds are outstanding, the County shall
18 levy or cause to be levied ad valorem taxes upon all the assessable property within the
19 corporate limits of the County in rate and amount sufficient to provide for or assume
20 the payment, when due, of the principal of and interest on all the bonds maturing in
21 each such fiscal year and, if the proceeds from the taxes so levied in any fiscal year
22 prove inadequate for such payment, additional taxes shall be levied in the succeeding
23 fiscal year to make up any deficiency. The County may apply to the payment of the
24 principal of and interest on any bonds issued under this Act any funds received by it
25 from the State of Maryland, the United States of America, any agency or
26 instrumentality of either, or from any other source. If such funds are granted for the
27 purpose of assisting the County in financing the construction, improvement,
28 development, or renovation of the public facilities defined in this Act and, to the
29 extent of any such funds received or receivable in any fiscal year, taxes that might
30 otherwise be required to be levied under this Act may be reduced or need not be
31 levied.

32 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby
33 further authorized and empowered, at any time and from time to time, to issue its
34 bonds in the manner hereinabove described for the purpose of refunding, upon
35 purchase or redemption, any bonds issued under this Act. The validity of any
36 refunding bonds shall in no way be dependent upon or related to the validity or
37 invalidity of the obligations being refunded. The powers granted under this Act with
38 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
39 Such refunding bonds may be issued by the County for the purpose of providing it
40 with funds to purchase in the open market any of its outstanding bonds issued under
41 this Act, prior to their maturity, or for the purpose of providing it with funds for the
42 redemption prior to maturity of any outstanding bonds which are, by their terms,
43 redeemable. The proceeds of the sale of any refunding bonds shall be segregated and
44 set apart by the County as a separate trust fund to be used solely for the purpose of
45 paying the purchase or redemption prices of the bonds to be refunded.

1 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
2 the preparation of definitive bonds, issue interim certificates or temporary bonds,
3 exchangeable for definitive bonds when such bonds have been executed and are
4 available for delivery. The County may, by appropriate resolution, provide for the
5 replacement of any bonds issued under this Act which may have become mutilated or
6 lost or destroyed upon whatever conditions and after receiving whatever indemnity as
7 the County may require.

8 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
9 issued under this Act, their transfer, the interest payable on them, and any income
10 derived from them from time to time (including any profit made in their sale) shall be
11 and are hereby declared to be at all times exempt from State, county, municipal, or
12 other taxation of every kind and nature whatsoever within the State of Maryland.

13 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
14 money and issue bonds conferred on the County by this Act shall be deemed to provide
15 additional, alternative, and supplemental authority for borrowing money and shall be
16 regarded as supplemental and additional to powers conferred upon the County by
17 other laws and may not be regarded as in derogation of any power now existing; and
18 all previously enacted laws authorizing the County to borrow money are hereby
19 continued to the extent that the power contained in them is continuing or has not
20 been exercised, unless any law is expressly repealed by this Act, and the validity of
21 any bonds issued under previously enacted laws is hereby ratified, confirmed, and
22 approved. This Act, being necessary for the welfare of the inhabitants of the County,
23 shall be liberally construed to effect its purposes. All Acts and parts of Acts
24 inconsistent with the provisions of this Act are hereby repealed to the extent of any
25 inconsistency.

26 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 June 1, 2004.