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

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CHAPTER_____

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, and to effect such borrowing by
 7 the issuance and sale at public or private sale of its general obligation bonds in
 8 like par amount; empowering the County to fix and determine, by resolution,
 9 the form, tenor, interest rate or rates or method of determining the same, terms,
 10 conditions, maturities, and all other details incident to the issuance and sale of
 11 the bonds; empowering the County to issue refunding bonds for the purchase or
 12 redemption of bonds in advance of maturity; empowering and directing the
 13 County to levy, impose, and collect, annually, ad valorem taxes in rate and
 14 amount sufficient to provide funds for the payment of the maturing principal of
 15 and interest on the bonds; exempting the bonds and refunding bonds and the
 16 interest thereon and any income derived therefrom from all State, county,
 17 municipal, and other taxation in the State of Maryland; providing that nothing
 18 in this Act shall prevent the County from authorizing the issuance and sale of
 19 bonds the interest on which is not excludable from gross income for federal
 20 income tax purposes; and relating generally to the issuance and sale of such
 21 bonds.

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 23 MARYLAND, That, as used herein, the term "County" means the body politic and
 24 corporate of the State of Maryland known as the County Commissioners of St. Mary's
 25 County, and the term "construction, improvement, or development of public facilities"
 26 means the acquisition, alteration, construction, reconstruction, enlargement,
 27 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,

1 and repair of public buildings and facilities and public works projects, including, but
2 not limited to, public works projects such as highways, roads, bridges and storm
3 drains, public school buildings and facilities, boating facilities, shore erosion and
4 other marine property, landfills, and recycling facilities, public operational buildings
5 and facilities such as buildings and facilities for County administrative use, capital
6 improvements to the Wicomico Shores Taxing District, County athletic facilities, the
7 community college, community swimming pools, public safety, health, and social
8 services, libraries, commuter air service facilities, refuse disposal buildings and
9 facilities, and parks and recreation buildings and facilities, together with the costs of
10 acquiring land or interests in land as well as any related architectural, financial,
11 legal, planning, or engineering services.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
13 authorized to finance any part or all of the costs of the public facilities described in
14 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
15 one time or from time to time, in an amount not exceeding, in the aggregate,
16 \$20,000,000 and to evidence such borrowing by the issuance and sale upon its full
17 faith and credit of general obligation bonds in like par amount, which may be issued
18 at one time or from time to time, in one or more groups or series, as the County may
19 determine.

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

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

11 The County may enter into agreements with agents, banks, fiduciaries,
12 insurers, or others for the purpose of enhancing the marketability of any security for
13 the bonds and for the purpose of securing any tender option that may be granted to
14 holders of the bonds, all as may be determined and presented in the aforesaid
15 resolution, which may (but need not) state as security for the performance by the
16 County of any monetary obligations under such agreements the same security given
17 by the County to bondholders for the performance by the County of its monetary
18 obligations under the bonds.

19 If the County determines in the resolution to offer any of the bonds by
20 solicitation of competitive bids at public sale, the resolution shall fix the terms and
21 conditions of the public sale and shall adopt a form of notice of sale, which shall
22 outline the terms and conditions, and a form of advertisement, which shall be
23 published in one or more daily or weekly newspapers having a general circulation in
24 the County and which may also be published in one or more journals having a
25 circulation primarily among banks and investment bankers. At least one publication
26 of the advertisement shall be made not less than 10 days before the sale of the bonds.

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

31 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
32 sale of bonds shall be used and applied exclusively and solely for the acquisition,
33 construction, improvement, or development of public facilities for which the bonds are
34 sold. If the amounts borrowed shall prove inadequate to finance the projects described
35 in the resolution, the County may issue additional bonds with the limitations hereof
36 for the purpose of evidencing the borrowing of additional funds for such financing,
37 provided the resolution authorizing the sale of additional bonds shall so recite, but if
38 the net proceeds of the sale of any issue of bonds exceeds the amount needed to
39 finance the projects described in the resolution, the excess funds so borrowed and not
40 expended shall be applied to the payment of the next principal maturity of the bonds
41 or to the redemption of any part of the bonds which have been made redeemable or to
42 the purchase and cancellation of bonds, unless the County shall adopt a resolution
43 allocating the excess funds to the acquisition, construction, improvement, or
44 development of other public facilities, as defined and within the limits set forth in this
45 Act.

1 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
2 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
3 faith and credit and unlimited taxing power of the County to the payment of the
4 maturing principal of and interest on the bonds as and when they become payable. In
5 each and every fiscal year that any of the bonds are outstanding, the County shall
6 levy or cause to be levied ad valorem taxes upon all the assessable property within the
7 corporate limits of the County in rate and amount sufficient to provide for or assure
8 the payment, when due, of the principal of and interest on all the bonds maturing in
9 each such fiscal year and, in the event the proceeds from the taxes so levied in any
10 such fiscal year shall prove inadequate for such payment, additional taxes shall be
11 levied in the succeeding fiscal year to make up any such deficiency. The County may
12 apply to the payment of the principal of and interest on any bonds issued hereunder
13 any funds received by it from the State of Maryland, the United States of America,
14 any agency or instrumentality thereof, or from any other source, if such funds are
15 granted for the purpose of assisting the County in financing the acquisition,
16 construction, improvement, or development of the public facilities defined in this Act
17 and, to the extent of any such funds received or receivable in any fiscal year, the taxes
18 that are required to be levied under this Act may be reduced accordingly.

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

40 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to
41 the preparation of definitive bonds, issue interim certificates or temporary bonds,
42 exchangeable for definitive bonds when such bonds have been executed and are
43 available for such delivery, provided, however, that any such interim certificates or
44 temporary bonds shall be issued in all respects subject to the restrictions and
45 requirements set forth in this Act. The County may, by appropriate resolution,
46 provide for the replacement of any bonds issued hereunder which shall have become

1 mutilated or lost or destroyed upon such conditions and after receiving such
2 indemnity as the County may require.

3 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
4 issued pursuant to the authority of this Act, their transfer, the interest payable
5 thereon, and any income derived therefrom in the hands of the holders thereof from
6 time to time (including any profit made in the sale thereof) shall be and are hereby
7 declared to be at all times exempt from State, county, municipal, or other taxation of
8 every kind and nature whatsoever within the State of Maryland. Nothing in this Act
9 shall prevent the County from authorizing the issuance and sale of bonds the interest
10 on which is not excludable from gross income for federal income tax purposes.

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

25 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2005.