
By: Howard County Delegation

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CHAPTER _____

1 AN ACT concerning

2
3**Howard County - Revenue Authority
Ho. Co. 8-05**

4 FOR the purpose of authorizing Howard County to establish a revenue authority as a
5 public corporation and body politic with certain powers, rights, and obligations,
6 subject to certain requirements; authorizing a certain revenue authority to issue
7 revenue bonds, notes, and other evidences of indebtedness; exempting the
8 bonds, notes, and other evidences of indebtedness from taxation; defining
9 certain terms; requiring any legislation enacted by the County to specify and
10 provide for certain matters; making the revenue authority subject to certain
11 State and local laws; providing that proceeds from the conveyance of any County
12 property to the revenue authority shall be applied by the County for certain
13 purposes; prohibiting the County from transferring to the revenue authority
14 certain money from the general funds of the County to pay for certain financing;
15 making the budget of the revenue authority subject to the approval of the
16 County Executive and the County Council; requiring the revenue authority to
17 send a certain annual report to certain persons, to keep certain books and
18 records and make them available for inspection, and to have a certain audit
19 done; establishing a board of directors of the revenue authority; specifying the
20 membership, qualifications, compensation, and other related matters
21 concerning the board of directors; authorizing the County Executive to nominate
22 an executive director of the revenue authority; authorizing the board of directors
23 to determine the duties, responsibilities, and compensation of the executive
24 director; requiring the revenue authority to submit a certain annual plan to the
25 County Executive and the County Council; making this Act severable; and
26 generally relating to the establishment of a revenue authority in Howard

1 County as a public corporation.

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That:

4 1. (a) In this Act the following words have the meanings indicated.

5 (b) "Board" means the board of directors of the Howard County Revenue
6 Authority.

7 (c) "County" means Howard County.

8 (d) "Plan" means the document that:

9 (1) is prepared by the revenue authority and approved by the
10 County Executive and the County Council; and

11 (2) outlines or presents a strategy for the activities of the revenue
12 authority.

13 (e) "Revenue authority" means the Howard County Revenue Authority.

14 2. (a) (1) Howard County, Maryland, may establish by local legislation a
15 revenue authority in the County. The revenue authority shall be known as the
16 Howard County Revenue Authority, shall have perpetual existence as a corporation,
17 shall be deemed to be performing an essential public function, and shall also be
18 considered to be a public body and an instrumentality of the County.

19 (2) The purpose of the revenue authority is to finance or operate
20 cultural, recreational (excluding golf courses), and parking facilities.

21 (b) (1) The County may enact, by local legislation, the provisions of
22 each section required by this Act and provisions to supplement the provisions of the
23 required sections, if not in conflict with the required sections.

24 (2) The local legislation, if enacted, shall:

25 (i) except as provided in §§ 3 and 4 of this Act, specify the
26 organization and membership of the revenue authority;

27 (ii) specify the purposes, as set forth in § 2(a)(2) of this Act, of
28 the revenue authority;

29 (iii) specify the powers to be exercised by the revenue
30 authority;

31 (iv) provide for the exercise of all powers, authority, rights,
32 and obligations required by this Act; and

33 (v) specify any other matters relating to the revenue
34 authority as the County may determine.

1 (c) (1) Except as provided in paragraphs (2) and (3) of this subsection
2 and § 3(e)(2) of this Act, the provisions of the County Charter or other County law
3 regarding the duties, powers, or organization of the revenue authority do not apply to
4 the revenue authority, unless the County expressly provides by law that the Charter
5 provision or law applies to the revenue authority.

6 (2) The revenue authority shall be subject to § 2.125 et seq. of the
7 Howard County Code or any successor provisions of law and to § 10-611 et seq. of the
8 State Government Article of the Annotated Code of Maryland.

9 (3) The board, officers, executive director, and employees of the
10 revenue authority shall be subject to the Howard County Public Ethics Law, § 22.200
11 et seq. of the Howard County Code, or any successor provision of law.

12 (d) (1) The County Executive, with the approval of the County Council,
13 may convey to the revenue authority the County's title to any lands, streets, alleys,
14 buildings, facilities, or other public places, on payment to the County of the
15 reasonable value of such properties.

16 (2) The revenue authority and the County Executive shall
17 determine the value of a property with the approval of the County Council.

18 (3) Payment shall be made in cash or in bonds of the revenue
19 authority at par value.

20 (4) Proceeds from the conveyance of any County property to the
21 revenue authority under this subsection shall be applied by the County to:

22 (i) the repayment of County general obligation debt or
23 revenue obligations issued to finance or refinance the acquisition or development of
24 the property conveyed; or

25 (ii) the acquisition or development of capital projects of the
26 County.

27 (e) (1) Subject to paragraph (2) of this subsection, the County
28 Executive, with the approval of the County Council, may assign to the revenue
29 authority any rates, rentals, fees, or charges now being or hereafter received by the
30 County, such assignment to be made for the purpose of providing additional security
31 for any bonds to be issued under this Act or for such other purposes as may be agreed
32 to between the revenue authority and the County.

33 (2) The County may not pay or otherwise transfer to the revenue
34 authority as rates, rentals, fees, or charges, money from the general funds of the
35 County to pay for financing public property to be occupied or used by the County for
36 governmental purposes.

37 (f) (1) The County Council may advance to the revenue authority from
38 the general funds of the County, sums to be used by the revenue authority to defray
39 expenses for investigation, engineering and architectural studies, opinions, and

1 compensation of employees and counsel, that may be incurred prior to the sale of its
2 revenue bonds.

3 (2) Advances shall be repaid out of the first proceeds of the sale of
4 revenue bonds by the revenue authority following any such advance.

5 (3) The advances may be made in accordance with subsection (h) of
6 this section.

7 (g) The budget for the revenue authority and any proposal by the
8 revenue authority to sell bonds is subject to the approval of the County Executive and
9 the County Council.

10 (h) (1) The revenue bonds, certificates, or other evidences of
11 indebtedness issued under the provisions of this Act may not be deemed to constitute
12 a debt of the County or a pledge of the faith and credit of the County or of the State of
13 Maryland or any political subdivision of the State of Maryland.

14 (2) The revenue bonds, certificates, or other evidences of
15 indebtedness shall be payable from the funds of the revenue authority provided from
16 revenues of the project or projects of the revenue authority.

17 (3) All revenue bonds shall contain a statement on their face to the
18 effect that the full faith and credit of the County, State, or political subdivision of the
19 State of Maryland is not pledged to pay such bonds or the interest thereon.

20 (4) Except as otherwise provided in paragraph (5) of this
21 subsection, the issuance of the revenue bonds, certificates, or other evidences of
22 indebtedness under the provisions of this Act may not directly, indirectly, or
23 contingently obligate Howard County to levy or pledge any form of taxation or any
24 appropriation for their payment.

25 (5) The County Executive may, with the approval of the Council,
26 collaterally agree to provide sufficient moneys from the general fund of the County to
27 pay any deficiency in the debt service requirements of such bonds for any year in
28 which there is a deficit.

29 (6) An advance of moneys from the general fund of the County shall
30 be repaid from the receipts, rentals, or revenues of the authority in the next
31 succeeding year in which such receipts, rentals, or revenues exceed debt service
32 requirements and operating expenses.

33 (7) An advance of moneys from the general fund of the County
34 under any agreement or agreements shall not exceed, but shall be limited and
35 restricted to, a maximum amount established by local legislation or, in the absence of
36 local legislation, a maximum payment by the County of twenty-five thousand dollars
37 (\$25,000.00) for any one (1) year.

38 (i) (1) Revenue bonds issued by the revenue authority authorized by
39 this Act are hereby made securities in which all public officers and public agencies of

1 the State and its political subdivisions, and all banks, trust companies, savings and
2 loan associations, investment companies, and others carrying on a banking business,
3 all insurance companies and insurance associations and others carrying on an
4 insurance business, all administrators, executors, guardians, trustees, and other
5 fiduciaries, and all other persons may legally and properly invest funds, including
6 capital, in their control or belonging to them.

7 (2) Revenue bonds issued by the revenue authority are hereby
8 made securities that may properly and legally be deposited with and received by any
9 State or municipal officer or any agency or political subdivision of the State for any
10 purpose for which the deposit of bonds or other obligations of the State is now or may
11 hereafter be authorized by law.

12 (j) The revenue authority established by the County may issue revenue
13 bonds, notes, or other evidences of indebtedness.

14 (k) The bonds, notes, and other evidences of indebtedness issued by the
15 revenue authority established by the County, their transfer, the interest payable on
16 them, and any income derived from them, including any profit realized in their sale or
17 exchange, shall be exempt at all times from taxation by the State, or by any of its
18 counties, municipal corporations, or public agencies of any kind.

19 (l) The bonds, notes, and other evidences of indebtedness issued by the
20 revenue authority established by the County shall be exempt from the provisions of
21 Article 31, §§ 9, 10, and 11 of the Annotated Code of Maryland, or any successor
22 provision.

23 (m) The revenue authority established by the County may acquire real
24 and personal property and interests in real and personal property and may pledge,
25 mortgage, encumber, sell, lease, transfer, or convey any interest in its real and
26 personal property to the County or any person.

27 (n) Earnings of the revenue authority established by the County may not
28 enure to the benefit of private persons.

29 (o) Within 90 days after the end of the County's fiscal year, the revenue
30 authority shall send the County Executive, the County Council, and the County
31 delegation to the General Assembly an annual financial report:

32 (1) concerning:

33 (i) the activities of the revenue authority during the fiscal
34 year; and

35 (ii) the revenue authority's financial standing at the end of
36 the fiscal year; and

37 (2) containing the audit report required under subsection (p)(2) of
38 this section.

1 (p) (1) The revenue authority shall keep records consistent with sound
2 business practices and accounting records using generally accepted accounting
3 principles.

4 (2) The revenue authority shall have its books and records audited
5 at the conclusion of each fiscal year.

6 (3) The books and records of the revenue authority shall be subject
7 to audit, examination, and inspection at any reasonable time by the County Executive
8 and the County Council or their designees.

9 (4) In addition to any financial audit required by this subsection,
10 the County may conduct financial or management audits.

11 (q) In the event of dissolution of the revenue authority established by the
12 County, the title to all property financed by the proceeds of bonds, notes, or other
13 evidences of indebtedness issued by the revenue authority shall revert to the County.

14 (r) (1) It is the intent of this Act that the revenue authority established
15 by the County be a "constituted authority" within the meaning of the Internal
16 Revenue Code of 1986, as amended, and the relevant regulations, rulings, and
17 procedures.

18 (2) The powers of the revenue authority shall be construed to give
19 effect to this intent.

20 3. (a) On enactment of local legislation by the County establishing a
21 revenue authority, there is a board of directors of the revenue authority, which shall
22 manage the affairs of the authority and exercise all its corporate powers.

23 (b) The board shall have no more than seven voting members appointed
24 by the County Executive with the approval of the County Council.

25 (c) (1) Board members shall either be residents of Howard County or
26 persons with business interests in the County.

27 (2) Board members shall be selected for known leadership,
28 experience, and interest in the well-being of the County and shall represent a cross
29 section of the County.

30 (3) Employees of the County, employees of the revenue authority, or
31 elected officials of the County are not eligible to serve as board members.

32 (d) (1) (i) Board members shall serve staggered terms of 4 years, as
33 required in legislation enacted by the County.

34 (ii) At the end of a term, a board member continues to serve
35 until a successor is appointed and qualifies.

1 (2) A board member who is appointed to complete an unexpired
2 term serves for the rest of that term or until a successor is appointed and qualifies.

3 (3) A member may not be reappointed after having served 8 or
4 more consecutive years immediately before appointment.

5 (e) (1) A member may be removed for incompetence, misconduct, or
6 failure to perform the duties of the position.

7 (2) Removal shall be pursuant to the provisions of § 903 of the
8 Howard County charter.

9 (f) (1) The board shall elect one of its members as chair, one as
10 vice-chair, and one as secretary-treasurer, to serve 2-year terms.

11 (2) An officer may serve an unlimited number of terms during the
12 officer's membership on the board.

13 (g) (1) A majority of the members of the board constitute a quorum for
14 the purpose of conducting business.

15 (2) The affirmative vote of a majority of the members is required
16 before the board may take action.

17 (3) The board shall meet at least once each month at the times and
18 places that it determines and more often at the call of the chair.

19 (h) The board members shall receive no compensation for their services
20 except reasonable and necessary expenses (including travel expenses) incurred in the
21 discharge of their duties as provided in the revenue authority's budget.

22 4. (a) (1) Subject to the approval of the board, the County Executive shall
23 nominate one or more candidates for executive director, who shall be the chief
24 administrative officer of the revenue authority.

25 (2) The executive director:

26 (i) shall serve at the pleasure of the board and the County
27 Executive; and

28 (ii) may be removed from office either by the County
29 Executive with the concurrence of the board or by a two-thirds vote of the board.

30 (3) The duties, responsibilities, and compensation of the executive
31 director shall be determined by the board.

32 (4) The executive director shall appoint or employ any additional
33 professional, technical, or clerical staff necessary to carry out the revenue authority's
34 duties, and shall determine their qualifications, duties, and compensation.

1 (b) The board may engage any necessary accountants, engineers,
2 financial advisors, or other consultants.

3 5. (a) The powers granted to the revenue authority may not be construed to
4 authorize the revenue authority to:

5 (1) preempt or supersede the regulatory authority of any State or
6 county department or agency; or

7 (2) engage in any activity which is beyond its stated purpose or
8 powers.

9 (b) In addition to other powers granted to it under this Act or by local
10 legislation enacted by the County, the revenue authority has the following powers:

11 (1) to develop and annually update the plan for the County;

12 (2) to implement the plan for the County;

13 (3) to make, amend, and repeal bylaws, rules, and regulations in a
14 manner consistent with this Act and in compliance with the provisions of the Howard
15 County Administrative Procedure Act;

16 (4) to have a seal and alter the seal at its pleasure;

17 (5) to purchase, lease, use, hold, or obtain options on real or
18 personal property or interest in real or personal property as these are necessary for
19 the efficient regular operation of the revenue authority;

20 (6) to acquire real or personal property or interest in real or
21 personal property by gift, grant, bequest, devise, or other means;

22 (7) to sell, lease, transfer, exchange, assign, pledge, or dispose of
23 any real or personal property or any interest in real or personal property as these are
24 necessary for the efficient regular operation of the revenue authority;

25 (8) to receive and accept any contribution, gift, or grant from any
26 public or private source;

27 (9) to establish and appoint advisory groups and committees to
28 assist in carrying out the duties of the revenue authority;

29 (10) to exercise any power possessed by private corporations in
30 performing similar functions, which is not in conflict with federal, State, or County
31 law; and

32 (11) to do all things necessary and convenient to carry out the
33 powers and duties set forth in this Act.

1 6. (a) On or before October 30 of each year, the revenue authority shall
2 submit a plan for an update to the existing plan to the County Executive for the
3 County Executive's approval.

4 (b) The plan:

5 (1) shall include an annual work program for the next fiscal year
6 with a proposed level of funding;

7 (2) shall be consistent with the general plan, the prevalent zoning
8 map and regulations, and the subdivision and land development regulations for the
9 County; and

10 (3) shall promote the quality of life of the County residents.

11 SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this
12 Act or the application thereof to any person or circumstance is held invalid for any
13 reason in a court of competent jurisdiction, the invalidity does not affect other
14 provisions or any other application of this Act which can be given effect without the
15 invalid provision or application, and for this purpose the provisions of this Act are
16 declared severable.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2005.