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By: **Carroll County Senators**

Introduced and read first time: February 1, 2006

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Carroll County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of  
 4 Carroll County, from time to time, to borrow not more than \$52,000,000 in order  
 5 to finance the construction, improvement, or development of certain public  
 6 facilities in Carroll County, including water and sewer projects, to finance loans  
 7 for fire or emergency-related equipment, buildings, and other facilities of  
 8 volunteer fire departments in the County, to finance the payment of  
 9 contributions to the Carroll County Pension Plan, to finance the payment of  
 10 contributions to other postemployment benefits provided by the County, to  
 11 finance the payment of contributions to the length of service program for  
 12 members of volunteer fire departments in the County, and to effect such  
 13 borrowing by the issuance and sale at public or private sale of its general  
 14 obligation bonds in like par amount; empowering the County to fix and  
 15 determine, by resolution, the form, tenor, interest rate or rates or method of  
 16 determining the same, terms, conditions, maturities, and all other details  
 17 incident to the issuance and sale of the bonds; empowering the County to issue  
 18 refunding bonds for the purchase or redemption of bonds in advance of maturity;  
 19 providing that such borrowing may be undertaken by the County in the form of  
 20 installment purchase obligations executed and delivered by the County for the  
 21 purpose of acquiring agricultural land and woodland preservation easements;  
 22 empowering and directing the County to levy, impose, and collect, annually, ad  
 23 valorem taxes in rate and amount sufficient to provide funds for the payment of  
 24 the maturing principal of and interest on the bonds; exempting the bonds and  
 25 refunding bonds and the interest thereon and any income derived therefrom  
 26 from all State, County, municipal, and other taxation in the State of Maryland;  
 27 providing that nothing in this Act shall prevent the County from authorizing the  
 28 issuance and sale of bonds the interest on which is not excludable from gross

1 income for federal income tax purposes; and relating generally to the issuance  
2 and sale of such bonds.

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
4 MARYLAND, That, as used herein, the term "County" means the body politic and  
5 corporate of the State of Maryland known as the County Commissioners of Carroll  
6 County, and the term "construction, improvement, or development of public facilities"  
7 means the acquisition, alteration, construction, reconstruction, enlargement,  
8 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,  
9 and repair of public buildings and facilities and public works projects, including, but  
10 not limited to, public works projects such as roads, bridges and storm drains, public  
11 school buildings and facilities, landfills, Carroll Community College buildings and  
12 facilities, public operational buildings and facilities such as buildings and facilities for  
13 County administrative use, public safety, health and social services, libraries, refuse  
14 disposal buildings and facilities, water and sewer infrastructure facilities, easements  
15 or similar or related rights in land that restrict the use of agricultural land or  
16 woodland to maintain the character of the land as agricultural land or woodland, and  
17 parks and recreation buildings and facilities, together with the costs of acquiring land  
18 or interests in land as well as any related architectural, financial, legal, planning, or  
19 engineering services.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
21 authorized to finance any part or all of the costs of the construction, improvements or  
22 development of public facilities described in Section 1 of this Act, to make loans to  
23 each and every volunteer fire department in the County upon such terms and  
24 conditions as may be determined by the County for the purpose of financing certain  
25 fire or emergency-related equipment, buildings, or other facilities of volunteer fire  
26 departments, to finance the payment of contributions to the Carroll County Pension  
27 Plan, to finance the payment of contributions to other postemployment benefits  
28 provided by the County, to finance the payment of contributions to the length of  
29 service award program for members of volunteer fire departments in the County, and  
30 to borrow money and incur indebtedness for those purposes, at one time or from time  
31 to time, in an amount not exceeding, in the aggregate, \$52,000,000 and to evidence  
32 such borrowing by the issuance and sale upon its full faith and credit of general  
33 obligation bonds in like par amount, which may be issued at one time or from time to  
34 time, in one or more groups or series, as the County may determine.

35 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be  
36 issued in accordance with a resolution of the County, which shall describe generally  
37 the construction, improvement, or development of public facilities, including water  
38 and sewer projects, the fire or emergency-related equipment, buildings, or other  
39 facilities of volunteer fire departments in the County, the contributions to the Carroll  
40 County Pension Plan, the contributions to other postemployment benefits provided by  
41 the County, and the contributions to the length of service award program for members  
42 of volunteer fire departments in the County, for which the proceeds of the bond sale  
43 are intended and the amount needed for those purposes. The County shall have and is  
44 hereby granted full and complete authority and discretion in the resolution to fix and  
45 determine with respect to the bonds of any issue: the designation, date of issue,  
46 denomination or denominations, form or forms, and tenor of the bonds which, without

1 limitation, may be issued in registered form within the meaning of Section 30 of  
2 Article 31 of the Annotated Code of Maryland, as amended; the rate or rates of  
3 interest payable thereon, or the method of determining the same, which may include  
4 a variable rate; the date or dates and amount or amounts of maturity, which need not  
5 be in equal par amounts or in consecutive annual installments, provided only that no  
6 bond of any issue shall mature later than 30 years from the date of its issue; the  
7 manner of selling the bonds, which may be at either public or private sale, for such  
8 price or prices as may be determined to be for the best interests of Carroll County; the  
9 manner of executing and sealing the bonds, which may be by facsimile; the terms and  
10 conditions of any loans made to volunteer fire departments; the terms and conditions  
11 of any contributions to the Carroll County Pension Plan, the terms and conditions of  
12 any contributions to other postemployment benefits provided by the County, the  
13 terms and conditions of any contributions to the length of service award program for  
14 members of volunteer fire departments in the County, the terms and conditions, if  
15 any, under which bonds may be tendered for payment or purchase prior to their stated  
16 maturity; the terms or conditions, if any, under which bonds may or shall be redeemed  
17 prior to their stated maturity; the place or places of payment of the principal of and  
18 the interest on the bonds, which may be at any bank or trust company within or  
19 without the State of Maryland; covenants relating to compliance with applicable  
20 requirements of federal income tax law, including (without limitation) covenants  
21 regarding the payment of rebate or penalties in lieu of rebate; covenants relating to  
22 compliance with applicable requirements of federal or state securities laws; and  
23 generally all matters incident to the terms, conditions, issuance, sale, and delivery  
24 thereof.

25 Bonds issued under the authority of this Act to finance the payment of  
26 contributions to the Carroll County Pension Plan, a contribution to other  
27 postemployment benefits provided by the County, or a contribution to the length of  
28 service award program for members of volunteer fire departments in the County may  
29 be issued for the public purposes of (i) realizing savings with respect to the aggregate  
30 cost of the County payment liability being funded, on either a direct comparison or  
31 present value basis; or (ii) structuring or restructuring contribution costs in a manner  
32 that (a) in the aggregate effects a reduction in County pension costs, other  
33 postemployment benefits costs or length of service award program costs, as applicable  
34 or (b) is determined by the County to be in the best interests of the County, to be  
35 consistent with the County's long-term financial plan, and to realize a financial  
36 objective of the County, including improving the relationship of contribution costs to a  
37 source of payments such as taxes, assessments, or other charges. Any findings made  
38 by the County in the resolution regarding the public purposes achieved by the  
39 issuance of bonds for such purposes shall be conclusive.

40 The bonds may be made redeemable before maturity, at the option of the County,  
41 at such price or prices and under such terms and conditions as may be fixed by the  
42 County prior to the issuance of the bonds, either in the resolution or in subsequent  
43 resolutions. The bonds may be issued in registered form, and provision may be made  
44 for the registration of the principal only. In case any officer whose signature appears  
45 on any bond ceases to be such officer before the delivery thereof, such signature shall  
46 nevertheless be valid and sufficient for all purposes as if the officer had remained in  
47 office until such delivery. The bonds and the issuance and sale thereof shall be exempt

1 from the provisions of Sections 9, 10, and 11 of Article 31 of the Annotated Code of  
2 Maryland, as amended.

3 The borrowing authorized by this Act may also be undertaken by the County in  
4 the form of installment purchase obligations executed and delivered by the County for  
5 the purpose of acquiring easements or similar or related rights in land that restrict  
6 the use of agricultural land or woodland to maintain the character of the land as  
7 agricultural or woodland. The form of installment purchase obligations, the manner  
8 of accomplishing the acquisition of easements, which may be the direct exchange of  
9 installment purchase obligations for easement, and all matters incident to the  
10 execution and delivery of the installment purchase obligations and acquisition of the  
11 easements by the County shall be determined in the resolution. Except where the  
12 provisions of this Act would be inapplicable to installment purchase obligations, the  
13 term "bonds" used in this Act shall include installment purchase obligations and  
14 matters pertaining to the bonds under this Act, such as the security for the payment  
15 of the bonds, the exemption of the bonds from State, County, municipal, or other  
16 taxation, and authorization to issue refunding bonds and the limitation on the  
17 aggregate principal amount of bonds authorized for issuance, shall be applicable to  
18 installment purchase obligations.

19 The County may enter into agreements with agents, banks, fiduciaries,  
20 insurers, or others for the purpose of enhancing the marketability of any security for  
21 the bonds and for the purpose of securing any tender option that may be granted to  
22 holders of the bonds, all as may be determined and presented in the aforesaid  
23 resolution, which may (but need not) state as security for the performance by the  
24 County of any monetary obligations under such agreements the same security given  
25 by the County to bondholders for the performance by the County of its monetary  
26 obligations under the bonds.

27 If the County determines in the resolution to offer any of the bonds by  
28 solicitation of competitive bids at public sale, the resolution shall fix the terms and  
29 conditions of the public sale and shall adopt a form of notice of sale, which shall  
30 outline the terms and conditions, and a form of advertisement, which shall be  
31 published in one or more daily or weekly newspapers having a general circulation in  
32 the County and which may also be published in one or more journals having a  
33 circulation primarily among banks and investment bankers. At least one publication  
34 of the advertisement shall be made not less than 10 days before the sale of the bonds.

35 Upon delivery of any bonds to the purchaser or purchasers, payment therefor  
36 shall be made to the Comptroller of Carroll County or such other official of Carroll  
37 County as may be designated to receive such payment in a resolution passed by the  
38 County before such delivery.

39 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the  
40 sale of bonds shall be used and applied exclusively and solely for the acquisition,  
41 construction, improvement, or development of public facilities, including water and  
42 sewer projects, to make loans to volunteer fire departments for the financing of fire or  
43 emergency-related equipment, buildings, or other facilities of volunteer fire  
44 departments in the County or to finance the payment of a contribution to the Carroll

1 County Pension Plan for which the bonds are sold. If the amounts borrowed shall  
2 prove inadequate to finance the projects described in the resolution, the County may  
3 issue additional bonds with the limitations hereof for the purpose of evidencing the  
4 borrowing of additional funds for such financing, provided the resolution authorizing  
5 the sale of additional bonds shall so recite, but if the net proceeds of the sale of any  
6 issue of bonds exceed the amount needed to finance the projects described in the  
7 resolution, the excess funds so borrowed and not expended shall be applied to the  
8 payment of the next principal maturity of the bonds or to the redemption of any part  
9 of the bonds which have been made redeemable or to the purchase and cancellation of  
10 bonds, unless the County shall adopt a resolution allocating the excess funds to the  
11 acquisition, construction, improvement, or development of other public facilities,  
12 including water and sewer projects, or to the making of loans for fire or  
13 emergency-related equipment, buildings, or other facilities of volunteer fire  
14 departments in the County or to the financing of the payment of contributions to the  
15 Carroll County Pension Plan, contributions to other postemployment benefits  
16 programs provided by the County, or contributions to the length of service award  
17 program for members of volunteer fire departments in the County, as defined and  
18 within the limits set forth in this Act.

19 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby  
20 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full  
21 faith and credit and unlimited taxing power of the County to the payment of the  
22 maturing principal of and interest on the bonds as and when they become payable. In  
23 each and every fiscal year that any of the bonds are outstanding, the County shall  
24 levy or cause to be levied ad valorem taxes upon all the assessable property within the  
25 corporate limits of the County in rate and amount sufficient to provide for or assure  
26 the payment, when due, of the principal of and interest on all the bonds maturing in  
27 each such fiscal year and, in the event the proceeds from the taxes so levied in any  
28 such fiscal year shall prove inadequate for such payment, additional taxes shall be  
29 levied in the succeeding fiscal year to make up any such deficiency. The County may  
30 apply to the payment of the principal of and interest on any bonds issued hereunder  
31 any funds received by it as loan repayments from volunteer fire departments and any  
32 funds received by it from the State of Maryland, the United States of America, any  
33 agency or instrumentality thereof, or from any other source, if such funds are granted  
34 for the purpose of assisting the County in financing the acquisition, construction,  
35 improvement, or development of the public facilities defined in this Act, including the  
36 water and sewer projects or the making of loans for the aforementioned fire or  
37 emergency-related equipment, buildings, or other facilities for volunteer fire  
38 departments in the County, or the financing of the payment of contributions to the  
39 Carroll County Pension Plan, contributions to other postemployment benefits  
40 provided by the County, or contributions to the length of service award program for  
41 members of volunteer fire departments in the County and, to the extent of any such  
42 funds received or receivable in any fiscal year, the taxes that are required to be levied  
43 may be reduced accordingly.

44 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further  
45 authorized and empowered, at any time and from time to time, to issue its bonds in  
46 the manner herein above described for the purpose of refunding, by payment at  
47 maturity or upon purchase or redemption, any bonds issued hereunder. The validity

1 of any such refunding bonds shall in no way be dependent upon or related to the  
2 validity or invalidity of the obligations so refunded. The powers herein granted with  
3 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.  
4 Such refunding bonds may be issued by the County for the purpose of providing it  
5 with funds to pay any of its outstanding bonds issued hereunder at maturity, for the  
6 purpose of providing it with funds to purchase in the open market any of its  
7 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose  
8 of providing it with funds for the redemption prior to maturity of any outstanding  
9 bonds issued hereunder which are, by their terms, redeemable, for the purpose of  
10 providing it with funds to pay interest on any outstanding bonds issued hereunder  
11 prior to their payment at maturity of purchase or redemption in advance of maturity,  
12 or for the purpose of providing it with funds to pay any redemption or purchase  
13 premium in connection with the refunding of any of its outstanding bonds issued  
14 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated  
15 and set apart by the County as a separate trust fund to be used solely for the purpose  
16 of paying the purchase or redemption prices of the bonds to be refunded.

17 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior  
18 to the preparation of definitive bonds, issue interim certificates or temporary bonds,  
19 exchangeable for definitive bonds when such bonds have been executed and are  
20 available for such delivery, provided, however, that any such interim certificates or  
21 temporary bonds shall be issued in all respects subject to the restrictions and  
22 requirements set forth in this Act. The County may, by appropriate resolution,  
23 provide for the replacement of any bonds issued hereunder which shall have become  
24 mutilated or lost or destroyed upon such conditions and after receiving such  
25 indemnity as the County may require.

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

34 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow  
35 money and issue bonds conferred on the County by this Act shall be deemed to provide  
36 an additional and alternative authority for borrowing money and shall be regarded as  
37 supplemental and additional to powers conferred upon the County by other laws and  
38 shall not be regarded as in derogation of any power now existing; and all Acts of the  
39 General Assembly of Maryland heretofore passed authorizing the County to borrow  
40 money are hereby continued to the extent that the powers contained in such Acts have  
41 not been exercised, and nothing contained in this Act may be construed to impair, in  
42 any way, the validity of any bonds that may have been issued by the County under the  
43 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed,  
44 and approved. This Act, being necessary for the welfare of the inhabitants of Carroll  
45 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of

1 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of  
2 such inconsistency.

3 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect June 1, 2006.