

SENATE BILL 905

B3

(71r2898)

ENROLLED BILL

— *Budget and Taxation / Appropriations* —

Introduced by **Carroll County Senators**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Carroll County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of Carroll
4 County, from time to time, to borrow not more than \$80,000,000 in order to
5 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~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 ~~members of volunteer fire departments in the County,~~ and to effect such
2 borrowing by the issuance and sale at public or private sale of its general
3 obligation bonds in like par amount; empowering the County to fix and
4 determine, by resolution, the form, tenor, interest rate or rates or method of
5 determining the same, terms, conditions, maturities, and all other details
6 incident to the issuance and sale of the bonds; empowering the County to issue
7 refunding bonds for the purchase or redemption of bonds in advance of
8 maturity; providing that such borrowing may be undertaken by the County in
9 the form of installment purchase obligations executed and delivered by the
10 County for the purpose of acquiring agricultural land and woodland
11 preservation easements; empowering and directing the County to levy, impose,
12 and collect, annually, ad valorem taxes in rate and amount sufficient to provide
13 funds for the payment of the maturing principal of and interest on the bonds;
14 exempting the bonds and refunding bonds and the interest thereon and any
15 income derived therefrom from all State, County, municipal, and other taxation
16 in the State of Maryland; providing that nothing in this Act shall prevent the
17 County from authorizing the issuance and sale of bonds the interest on which is
18 not excludable from gross income for federal income tax purposes; and relating
19 generally to the issuance and sale of such bonds.

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That, as used herein, the term "County" means the body politic and
22 corporate of the State of Maryland known as the County Commissioners of Carroll
23 County, and the term "construction, improvement, or development of public facilities"
24 means the acquisition, alteration, construction, reconstruction, enlargement,
25 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,
26 and repair of public buildings and facilities and public works projects, including, but
27 not limited to, public works projects such as roads, bridges and storm drains, public
28 school buildings and facilities, landfills, Carroll Community College buildings and
29 facilities, public operational buildings and facilities such as buildings and facilities for
30 County administrative use, public safety, health and social services, libraries, refuse
31 disposal buildings and facilities, water and sewer infrastructure facilities, easements
32 or similar or related rights in land that restrict the use of agricultural land or
33 woodland to maintain the character of the land as agricultural land or woodland, and
34 parks and recreation buildings and facilities, together with the costs of acquiring land
35 or interests in land as well as any related architectural, financial, legal, planning, or
36 engineering services.

37 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
38 authorized to finance any part or all of the costs of the construction, improvements or
39 development of public facilities described in Section 1 of this Act, to make loans to
40 each and every volunteer fire department in the County upon such terms and
41 conditions as may be determined by the County for the purpose of financing certain

1 fire or emergency-related equipment, buildings, or other facilities of volunteer fire
2 departments, ~~to finance the payment of contributions to the Carroll County Pension~~
3 ~~Plan, to finance the payment of contributions to other postemployment benefits~~
4 ~~provided by the County, to finance the payment of contributions to the length of~~
5 ~~service award program for members of volunteer fire departments in the County,~~ and
6 to borrow money and incur indebtedness for those purposes, at one time or from time
7 to time, in an amount not exceeding, in the aggregate, \$80,000,000 and to evidence
8 such borrowing by the issuance and sale upon its full faith and credit of general
9 obligation bonds in like par amount, which may be issued at one time or from time to
10 time, in one or more groups or series, as the County may determine.

11 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be
12 issued in accordance with a resolution of the County, which shall describe generally
13 the construction, improvement, or development of public facilities, including water and
14 sewer projects, the fire or emergency-related equipment, buildings, or other facilities
15 of volunteer fire departments in the County, ~~the contributions to the Carroll County~~
16 ~~Pension Plan, the contributions to other postemployment benefits provided by the~~
17 ~~County, and the contributions to the length of service award program for members of~~
18 ~~volunteer fire departments in the County,~~ for which the proceeds of the bond sale are
19 intended and the amount needed for those purposes. The County shall have and is
20 hereby granted full and complete authority and discretion in the resolution to fix and
21 determine with respect to the bonds of any issue: the designation, date of issue,
22 denomination or denominations, form or forms, and tenor of the bonds which, without
23 limitation, may be issued in registered form within the meaning of Section 30 of
24 Article 31 of the Annotated Code of Maryland, as amended; the rate or rates of interest
25 payable thereon, or the method of determining the same, which may include a variable
26 rate; the date or dates and amount or amounts of maturity, which need not be in equal
27 par amounts or in consecutive annual installments, provided only that no bond of any
28 issue shall mature later than 30 years from the date of its issue; the manner of selling
29 the bonds, which may be at either public or private sale, for such price or prices as
30 may be determined to be for the best interests of Carroll County; the manner of
31 executing and sealing the bonds, which may be by facsimile; the terms and conditions
32 of any loans made to volunteer fire departments; ~~the terms and conditions of any~~
33 ~~contributions to the Carroll County Pension Plan, the terms and conditions of any~~
34 ~~contributions to other postemployment benefits provided by the County, the terms and~~
35 ~~conditions of any contributions to the length of service award program for members of~~
36 ~~volunteer fire departments in the County,~~ the terms and conditions, if any, under
37 which bonds may be tendered for payment or purchase prior to their stated maturity;
38 the terms or conditions, if any, under which bonds may or shall be redeemed prior to
39 their stated maturity; the place or places of payment of the principal of and the
40 interest on the bonds, which may be at any bank or trust company within or without
41 the State of Maryland; covenants relating to compliance with applicable requirements
42 of federal income tax law, including (without limitation) covenants regarding the

1 payment of rebate or penalties in lieu of rebate; covenants relating to compliance with
2 applicable requirements of federal or state securities laws; and generally all matters
3 incident to the terms, conditions, issuance, sale, and delivery thereof.

4 ~~Bonds issued under the authority of this Act to finance the payment of~~
5 ~~contributions to the Carroll County Pension Plan, a contribution to other~~
6 ~~postemployment benefits provided by the County, or a contribution to the length of~~
7 ~~service award program for members of volunteer fire departments in the County may~~
8 ~~be issued for the public purposes of (i) realizing savings with respect to the aggregate~~
9 ~~cost of the County payment liability being funded, on either a direct comparison or~~
10 ~~present value basis; or (ii) structuring or restructuring contribution costs in a manner~~
11 ~~that (a) in the aggregate effects a reduction in County pension costs, other~~
12 ~~postemployment benefits costs or length of service award program costs, as applicable~~
13 ~~or (b) is determined by the County to be in the best interests of the County, to be~~
14 ~~consistent with the County's long term financial plan, and to realize a financial~~
15 ~~objective of the County, including improving the relationship of contribution costs to a~~
16 ~~source of payments such as taxes, assessments, or other charges. Any findings made~~
17 ~~by the County in the resolution regarding the public purposes achieved by the~~
18 ~~issuance of bonds for such purposes shall be conclusive.~~

19 The bonds may be made redeemable before maturity, at the option of the
20 County, at such price or prices and under such terms and conditions as may be fixed
21 by the County prior to the issuance of the bonds, either in the resolution or in
22 subsequent resolutions. The bonds may be issued in registered form, and provision
23 may be made for the registration of the principal only. In case any officer whose
24 signature appears on any bond ceases to be such officer before the delivery thereof,
25 such signature shall nevertheless be valid and sufficient for all purposes as if the
26 officer had remained in office until such delivery. The bonds and the issuance and sale
27 thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article 31 of
28 the Annotated Code of Maryland, as amended.

29 The borrowing authorized by this Act may also be undertaken by the County in
30 the form of installment purchase obligations executed and delivered by the County for
31 the purpose of acquiring easements or similar or related rights in land that restrict the
32 use of agricultural land or woodland to maintain the character of the land as
33 agricultural or woodland. The form of installment purchase obligations, the manner of
34 accomplishing the acquisition of easements, which may be the direct exchange of
35 installment purchase obligations for easement, and all matters incident to the
36 execution and delivery of the installment purchase obligations and acquisition of the
37 easements by the County shall be determined in the resolution. Except where the
38 provisions of this Act would be inapplicable to installment purchase obligations, the
39 term "bonds" used in this Act shall include installment purchase obligations and
40 matters pertaining to the bonds under this Act, such as the security for the payment of

1 the bonds, the exemption of the bonds from State, County, municipal, or other
2 taxation, and authorization to issue refunding bonds and the limitation on the
3 aggregate principal amount of bonds authorized for issuance, shall be applicable to
4 installment purchase obligations.

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

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

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

25 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
26 sale of bonds shall be used and applied exclusively and solely for the acquisition,
27 construction, improvement, or development of public facilities, including water and
28 sewer projects, to make loans to volunteer fire departments for the financing of fire or
29 emergency-related equipment, buildings, or other facilities of volunteer fire
30 departments in the County ~~or to finance the payment of a contribution to the Carroll~~
31 ~~County Pension Plan~~ for which the bonds are sold. If the amounts borrowed shall
32 prove inadequate to finance the projects described in the resolution, the County may
33 issue additional bonds with the limitations hereof for the purpose of evidencing the
34 borrowing of additional funds for such financing, provided the resolution authorizing
35 the sale of additional bonds shall so recite, but if the net proceeds of the sale of any
36 issue of bonds exceed the amount needed to finance the projects described in the
37 resolution, the excess funds so borrowed and not expended shall be applied to the
38 payment of the next principal maturity of the bonds or to the redemption of any part of
39 the bonds which have been made redeemable or to the purchase and cancellation of

1 bonds, unless the County shall adopt a resolution allocating the excess funds to the
2 acquisition, construction, improvement, or development of other public facilities,
3 including water and sewer projects, or to the making of loans for fire or
4 emergency-related equipment, buildings, or other facilities of volunteer fire
5 departments in the County ~~or to the financing of the payment of contributions to the~~
6 ~~Carroll County Pension Plan, contributions to other postemployment benefits~~
7 ~~programs provided by the County, or contributions to the length of service award~~
8 ~~program for members of volunteer fire departments in the County,~~ as defined and
9 within the limits set forth in this Act.

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

35 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further
36 authorized and empowered, at any time and from time to time, to issue its bonds in
37 the manner herein above described for the purpose of refunding, by payment at
38 maturity or upon purchase or redemption, any bonds issued hereunder. The validity of
39 any such refunding bonds shall in no way be dependent upon or related to the validity
40 or invalidity of the obligations so refunded. The powers herein granted with respect to
41 the issuance of bonds shall be applicable to the issuance of refunding bonds. Such

1 refunding bonds may be issued by the County for the purpose of providing it with
2 funds to pay any of its outstanding bonds issued hereunder at maturity, for the
3 purpose of providing it with funds to purchase in the open market any of its
4 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose
5 of providing it with funds for the redemption prior to maturity of any outstanding
6 bonds issued hereunder which are, by their terms, redeemable, for the purpose of
7 providing it with funds to pay interest on any outstanding bonds issued hereunder
8 prior to their payment at maturity of purchase or redemption in advance of maturity,
9 or for the purpose of providing it with funds to pay any redemption or purchase
10 premium in connection with the refunding of any of its outstanding bonds issued
11 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated
12 and set apart by the County as a separate trust fund to be used solely for the purpose
13 of paying the purchase or redemption prices of the bonds to be refunded.

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

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

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

1 and approved. This Act, being necessary for the welfare of the inhabitants of Carroll
2 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
3 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
4 such inconsistency.

5 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
6 effect June 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.