

SENATE BILL 539

B3

8lr2252
CF HB 256

By: ~~Senator Pipkin~~ **Senators Pipkin and Jacobs**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2008

CHAPTER _____

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 \$5,000,000 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
7 or 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
9 rates or method of determining the same, terms, conditions, maturities, and all
10 other details incident to the issuance and sale of the bonds; empowering the
11 County to issue refunding bonds for the purchase or redemption of bonds in
12 advance of maturity; empowering and directing the County to levy, impose, and
13 collect, annually, ad valorem taxes in rate and amount sufficient to provide
14 funds for the payment of the maturing principal of and interest on the bonds;
15 exempting the bonds and refunding bonds, and the interest thereon and any
16 income derived therefrom, from all State, county, municipal, and other taxation
17 in the State of Maryland; and relating generally to the issuance and sale of the
18 bonds 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 and
21 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

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.



1 public capital projects in Cecil County, including any finance charges or interest prior
2 to or during such financing and any other costs or expenditures incurred by the
3 County in connection with the projects.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
5 authorized to finance any part or all of the costs of the public facilities described in
6 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at
7 one time or from time to time, in an amount not exceeding, in the aggregate,
8 \$5,000,000 and to evidence its borrowing by the issuance and sale upon its full faith
9 and credit of general obligation bonds in like amount, which may be issued at one time
10 or from time to 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 issued
12 pursuant to a resolution of the County which shall describe generally the public
13 facilities for which the proceeds of the bond sale are intended and the amount needed
14 for those purposes. The County shall have and is hereby granted full and complete
15 authority and discretion in the resolution to fix and determine with respect to the
16 bonds of any issue: the designation, date of issue, denomination or denominations,
17 form or forms and tenor of the bonds which, without limitation, may be issued in
18 registered form within the meaning of Section 30 of Article 31 of the Annotated Code
19 of Maryland, as amended; the rate or rates of interest payable thereon, or the method
20 of determining the same, which may include a variable rate; the date or dates and
21 amount or amounts of maturity, which need not be in equal par amounts or in
22 consecutive annual installments, provided only that no bond of any issue shall mature
23 later than 30 years from the date of its issue; the manner of selling the bonds, which
24 may be at either public or private sale, for such price or prices as may be determined
25 to be in the best interests of the County; the manner of executing the bonds, which
26 may be by facsimile; the terms and conditions, if any, under which bonds may be
27 tendered for payment or purchase prior to their stated maturity; the terms or
28 conditions, if any, under which bonds may or shall be redeemed prior to their stated
29 maturity; the place or places of payment of the principal of and the interest on the
30 bonds, which may be at any bank or trust company within or without the State of
31 Maryland; and generally all matters incident to the terms, conditions, issuance, sale,
32 and delivery thereof.

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

37 In case any officer whose signature appears on any bond ceases to be such
38 officer before delivery, the signature shall nevertheless be valid and sufficient for all
39 purposes as if the officer had remained in office until delivery. The bonds and their
40 issue and sale shall be exempt from the provisions of Sections 9, 10, and 11 of Article
41 31 of the Annotated Code of Maryland, as amended.

42 If the County determines in the resolution to offer any of the bonds by
43 solicitation of competitive bids at public sale, the resolution shall fix the terms and

1 conditions of the public sale and shall adopt a form of notice of sale, which shall
2 outline the terms and conditions, and a form of advertisement, which shall be
3 published in one or more daily or weekly newspapers having a general circulation in
4 the County and which may also be published in one or more journals having a
5 circulation primarily among banks and investment bankers. At least one publication of
6 the advertisement shall be made not less than 10 days before the sale of bonds.

7 Upon delivery of any bonds to the purchaser or purchasers, payment shall be
8 made to the Treasurer of Cecil County or such other official of the County as may be
9 designated to receive payment in a resolution passed by the County Commissioners of
10 Cecil County before delivery.

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

14 If the net proceeds of the sale of any issue of bonds exceeds the amount needed
15 to finance the public facilities described in the resolution, the excess funds shall be
16 applied to the payment of the next principal maturity of the bonds or to the
17 redemption of any part of the bonds which have been made redeemable or to the
18 purchase and cancellation of bonds, unless the County adopts a resolution allocating
19 the excess funds to the construction, improvement, or development of other public
20 facilities.

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

39 SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby
40 further authorized and empowered, at any time and from time to time, to issue its
41 bonds in the manner hereinabove described for the purpose of refunding, upon
42 purchase or redemption, any bonds issued under this Act. The validity of any
43 refunding bonds shall in no way be dependent upon or related to the validity or

1 invalidity of the obligations being refunded. The powers granted under this Act with
2 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
3 Such refunding bonds may be issued by the County for the purpose of providing it with
4 funds to purchase in the open market any of its outstanding bonds issued under this
5 Act, prior to their maturity, or for the purpose of providing it with funds for the
6 redemption prior to maturity of any outstanding bonds which are, by their terms,
7 redeemable. The proceeds of the sale of any refunding bonds shall be segregated and
8 set apart by the County as a separate trust fund to be used solely for the purpose of
9 paying the purchase or redemption prices of the bonds to be refunded.

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

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

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

35 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
36 effect June 1, 2008.