

# SENATE BILL 540

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CF 5l1982

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By: **Senator Astle**

Introduced and read first time: February 6, 2015

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Municipalities – Parking Authorities**

3 FOR the purpose of authorizing a municipality that is organized under Article XI–E of the  
4 Maryland Constitution to create a parking authority as a body politic and corporate  
5 as provided under the Parking Authorities Act; requiring that a municipality pass a  
6 local law to establish the charter for the authority and to file the charter with certain  
7 units of State government; authorizing a municipality to amend the authority’s  
8 charter and change the structure or activity of or terminate the authority under  
9 certain circumstances; requiring a municipality to establish by local law certain  
10 requirements for members of an authority and certain budgetary and financial  
11 procedures of the authority; authorizing a municipality to authorize an authority to  
12 take certain actions; requiring a municipality to determine certain matters by local  
13 law in connection with the authorization, issuance, sale, delivery, and payment of  
14 certain revenue bonds as authorized under the Parking Authorities Act; authorizing  
15 a municipality to guarantee certain revenue bonds; prohibiting a municipality from  
16 granting an authority independent tax authority; exempting certain revenue bonds  
17 and related matters from any referendum requirements under a municipal charter  
18 or local law; and generally relating to authorization for a municipality to creating a  
19 parking authority under the Parking Authorities Act.

20 BY repealing and reenacting, without amendments,  
21 Article – Local Government  
22 Section 1–101(a) and (g), 18–101, 18–110, 18–111, 18–113 through 18–115, and  
23 18–119 through 18–121  
24 Annotated Code of Maryland  
25 (2013 Volume and 2014 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – Local Government  
28 Section 18–103 through 18–109, 18–112, and 18–116 through 18–118  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2013 Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Local Government**

1–101.

(a) In this article the following words have the meanings indicated.

(g) “Municipality” means a municipality that is organized under Article XI–E of the Maryland Constitution.

18–101.

(a) In this subtitle the following words have the meanings indicated.

(b) “Authority” means a parking authority established under this subtitle.

(c) “Bond” means a revenue bond issued by an authority under this subtitle.

(d) “Property” includes any interest in real or personal property.

18–103.

This subtitle applies only to Baltimore City, Montgomery County, [and] Prince George’s County, **AND EACH MUNICIPALITY**.

18–104.

A county **OR MUNICIPALITY** may create a body politic and corporate known as the “Parking Authority of (insert name of county **OR MUNICIPALITY**)”.

18–105.

To create an authority, a county **OR MUNICIPALITY** shall:

(1) pass a local law that establishes the charter for the authority; and

(2) file the charter with the Department of Assessments and Taxation, the Department of Legislative Services, and the Secretary of State.

18–106.

A county **OR MUNICIPALITY** may:

1 (1) amend the authority's charter through local law if the amendment is  
2 filed with the Department of Assessments and Taxation, the Department of Legislative  
3 Services, and the Secretary of State; or

4 (2) change the structure or activity of or terminate the authority, unless  
5 the change or termination would impair an obligation of the authority under a pre-existing  
6 contract.

7 18-107.

8 (a) An authority consists of five members.

9 (b) By local law, a county **OR MUNICIPALITY** shall establish residency  
10 requirements, means of appointment, qualifications, and terms of office for a member.

11 (c) Officers and employees of an authority shall be appointed as provided by local  
12 law.

13 18-108.

14 (a) An authority has the powers granted to it by local law, consistent with this  
15 subtitle, to allow it to carry out this subtitle.

16 (b) An authority may:

17 (1) use a common seal;

18 (2) sue and be sued; and

19 (3) perform corporate acts necessary to carry out this subtitle.

20 (c) By local law, a county **OR MUNICIPALITY** shall establish the budgetary and  
21 financial procedures of an authority.

22 (d) (1) An authority may adopt, in the manner provided by local law, rules and  
23 regulations for the operation and use of property and facilities under its jurisdiction.

24 (2) A person who violates a rule or regulation adopted by an authority is  
25 guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 180  
26 days or a fine not exceeding \$1,000 or both.

27 18-109.

28 A county **OR MUNICIPALITY** may authorize an authority to:

1 (1) acquire by purchase, lease, or other legal means, but not by eminent  
2 domain, property of any kind in the county **OR MUNICIPALITY**;

3 (2) establish, construct, alter, improve, equip, repair, maintain, operate,  
4 and regulate a facility for parking vehicles that is on, under, or in any property owned by  
5 the county, **MUNICIPALITY**, or the authority; and

6 (3) establish and collect fees for the use of the property.

7 18–110.

8 Property owned or controlled by an authority is exempt from all taxation by the  
9 State, a political subdivision, or any other public unit.

10 18–111.

11 The net earnings of an authority, other than those necessary to pay debt services or  
12 implement the public purposes of this subtitle, may not be used for the benefit of a person.

13 18–112.

14 On termination of an authority, all property, obligations, and assets of the authority  
15 become the property, obligations, and assets of the county **OR MUNICIPALITY**.

16 18–113.

17 An act of an authority may not be challenged on the basis of the absence of  
18 qualifications of a member of the authority if the member has:

19 (1) been appointed by the appropriate entity designated by local law; and

20 (2) taken the oath of office.

21 18–114.

22 (a) To carry out the purposes of this subtitle, an authority may issue revenue  
23 bonds to finance the cost of:

24 (1) acquiring property; or

25 (2) establishing, constructing, altering, improving, or equipping a facility.

26 (b) Each bond issue shall be authorized by a resolution approved by a vote of at  
27 least four members of the authority.

28 (c) An authority shall determine that a bond issue is necessary to achieve one or  
29 more of the authority's purposes before issuing bonds under this section.

1 (d) The resolution authorizing the bond issue shall include:

2 (1) the determination that a bond issue is necessary;

3 (2) a statement that the authority will acquire the vehicle parking facility  
4 or related project in accordance with this subtitle and local law;

5 (3) a determination of the probable useful life of the project or average  
6 probable useful life of the projects to be financed;

7 (4) an estimate of the cost of the project to be financed and the portion to  
8 be defrayed from any sources that shall be specifically named, other than the proposed bond  
9 issue;

10 (5) the procedure for the sale of the proposed bond issue;

11 (6) a description sufficient for purposes of identification of each of the  
12 projects to be financed by the bond issue; and

13 (7) a finding that the amount of the proposed bond issue is sufficient to  
14 complete at least a useful portion of each project to be financed.

15 (e) Notwithstanding any other provision of the Code or any recitals of the bond,  
16 the bonds are negotiable instruments.

17 18–115.

18 (a) If bonds are issued for projects having different probable useful lives, the  
19 authority shall consider the amount of the bonds to be issued for each project when it  
20 determines the average probable useful life of the projects.

21 (b) The determination under this section by an authority of probable useful life of  
22 the project or average probable useful life of the projects is conclusive.

23 18–116.

24 By local law consistent with this subtitle, a county **OR MUNICIPALITY** shall  
25 determine matters related to the authorization, issuance, sale, delivery, and payment of  
26 bonds, including:

27 (1) issue date;

28 (2) maturity;

29 (3) interest rate;

- 1 (4) terms;
- 2 (5) form;
- 3 (6) denomination;
- 4 (7) manner of execution;
- 5 (8) place of payment;
- 6 (9) redemption;
- 7 (10) refunding;
- 8 (11) sale price;
- 9 (12) manner of sale; and
- 10 (13) security.

11 18–117.

12 (A) By local law, a county **OR MUNICIPALITY** may guarantee the bonds as to  
13 payment of principal, interest, and any redemption premium by the full faith and credit of  
14 the county.

15 (B) **A MUNICIPALITY MAY NOT GRANT AN AUTHORITY INDEPENDENT**  
16 **TAXING AUTHORITY.**

17 18–118.

18 Bonds, the borrowing that they represent, the project being financed, or the  
19 guarantee of the county **OR MUNICIPALITY** with respect to payment of the principal,  
20 interest, and redemption premium are not subject to any referendum requirements under  
21 a county charter, **MUNICIPAL CHARTER**, or local law.

22 18–119.

23 Bonds are exempt from the conditions of sale requirements under §§ 19–205 and  
24 19–206 of this article.

25 18–120.

26 Bonds, transfer of the bonds, and the interest payable and income derived from the  
27 bonds are exempt from all State, county, and municipal taxation.

28 18–121.

1           This subtitle is the Parking Authorities Act.

2           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
3   October 1, 2015.