

Chapter 181

(Senate Bill 540)

AN ACT concerning

Municipalities – Parking Authorities

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

BY repealing and reenacting, without amendments,

Article – Local Government

Section 1–101(a) and (g), 18–101, 18–110, 18–111, 18–113 through 18–115, and
18–119 through 18–121

Annotated Code of Maryland

(2013 Volume and 2014 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government

Section 18–103 through 18–109, 18–112, and 18–116 through 18–118

Annotated Code of Maryland

(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) amend the authority’s charter through local law if the amendment is filed with the Department of Assessments and Taxation, the Department of Legislative Services, and the Secretary of State; or
- (2) change the structure or activity of or terminate the authority, unless the change or termination would impair an obligation of the authority under a pre-existing contract.

18–107.

(a) An authority consists of five members.

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

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

18-108.

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

(b) An authority may:

(1) use a common seal;

(2) sue and be sued; and

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

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

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

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

18-109.

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

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

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

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

18-110.

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

18–111.

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

18–112.

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

18–113.

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

- (1) been appointed by the appropriate entity designated by local law; and
- (2) taken the oath of office.

18–114.

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

- (1) acquiring property; or
- (2) establishing, constructing, altering, improving, or equipping a facility.

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

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

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

- (1) the determination that a bond issue is necessary;
- (2) a statement that the authority will acquire the vehicle parking facility or related project in accordance with this subtitle and local law;

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

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

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

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

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

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

18-115.

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

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

18-116.

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

(1) issue date;

(2) maturity;

(3) interest rate;

(4) terms;

(5) form;

(6) denomination;

(7) manner of execution;

- (8) place of payment;
- (9) redemption;
- (10) refunding;
- (11) sale price;
- (12) manner of sale; and
- (13) security.

18–117.

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

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

18–118.

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

18–119.

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

18–120.

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

18–121.

This subtitle is the Parking Authorities Act.

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

Approved by the Governor, May 12, 2015.