

SENATE BILL 296

B3

(6lr2378)

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 \$31,000,000 in order to finance
5 the construction, improvement, or development of certain public facilities in Carroll
6 County, including water and sewer projects, to finance loans for fire or
7 emergency-related equipment, buildings, and other facilities of volunteer fire
8 departments in the County, and to effect such borrowing by the issuance and sale at
9 public or private sale of its general obligation bonds in like ~~paramount~~ *par amount*;
10 empowering the County to fix and determine, by resolution, the form, tenor, interest
11 rate or rates or method of determining the same, terms, conditions, maturities, and
12 all other details incident to the issuance and sale of the bonds; empowering the
13 County to issue refunding bonds for the purchase or redemption of bonds in advance
14 of maturity; providing that such borrowing may be undertaken by the County in the
15 form of installment purchase obligations executed and delivered by the County 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 the purpose of acquiring agricultural land and woodland preservation easements;
2 empowering and directing the County to levy, impose, and collect, annually, ad
3 valorem taxes in rate and amount sufficient to provide funds for the payment of the
4 maturing principal of and interest on the bonds; exempting the bonds and refunding
5 bonds and the interest thereon and any income derived therefrom from all State,
6 County, municipal, and other taxation in the State of Maryland; providing that
7 nothing in this Act shall prevent the County from authorizing the issuance and sale
8 of bonds the interest on which is not excludable from gross income for federal income
9 tax purposes; and generally relating to the issuance and sale of such bonds.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

11 That, as used herein, the term “County” means the body politic and corporate of the State
12 of Maryland known as the County Commissioners of Carroll County, and the term
13 “construction, improvement, or development of public facilities” means the acquisition,
14 alteration, construction, reconstruction, enlargement, equipping, expansion, extension,
15 improvement, rehabilitation, renovation, upgrading, and repair of public buildings and
16 facilities and public works projects, including, but not limited to, public works projects such
17 as roads, bridges and storm drains, public school buildings and facilities, landfills, Carroll
18 Community College buildings and facilities, public operational buildings and facilities such
19 as buildings and facilities for County administrative use, public safety, health and social
20 services, libraries, refuse disposal buildings and facilities, water and sewer infrastructure
21 facilities, easements or similar or related rights in land that restrict the use of agricultural
22 land or woodland to maintain the character of the land as agricultural land or woodland,
23 and parks and recreation buildings and facilities, together with the costs of acquiring land
24 or interests in land as well as any related architectural, financial, legal, planning, or
25 engineering services.

26 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby

27 authorized to finance any part or all of the costs of the construction, improvements or
28 development of public facilities described in Section 1 of this Act, to make loans to each and
29 every volunteer fire department in the County upon such terms and conditions as may be
30 determined by the County for the purpose of financing certain fire or emergency–related
31 equipment, buildings, or other facilities of volunteer fire departments, and to borrow money
32 and incur indebtedness for those purposes, at one time or from time to time, in an amount
33 not exceeding, in the aggregate, \$31,000,000 and to evidence such borrowing by the
34 issuance and sale upon its full faith and credit of general obligation bonds in like ~~paramount~~
35 par amount, which may be issued at one time or from time to time, in one or more groups
36 or series, as the County may determine.

37 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued in

38 accordance with a resolution of the County, which shall describe generally the construction,
39 improvement, or development of public facilities, including water and sewer projects, the
40 fire or emergency–related equipment, buildings, or other facilities of volunteer fire
41 departments in the County for which the proceeds of the bond sale are intended and the
42 amount needed for those purposes. The County shall have and is hereby granted full and
43 complete authority and discretion in the resolution to fix and determine with respect to the
44 bonds of any issue: the designation, date of issue, denomination or denominations, form or

1 forms, and tenor of the bonds which, without limitation, may be issued in registered form
2 within the meaning of § 19–204 of the Local Government Article, as amended; the rate or
3 rates of interest payable thereon, or the method of determining the same, which may
4 include a variable rate; the date or dates and amount or amounts of maturity, which need
5 not 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 manner of
7 selling the bonds, which may be at either public or private sale, for such price or prices as
8 may be determined to be for the best interests of Carroll County; the manner of executing
9 and sealing the bonds, which may be by facsimile; the terms and conditions of any loans
10 made to volunteer fire departments; the terms and conditions, if any, under which bonds
11 may be tendered for payment or purchase prior to their stated maturity; the terms or
12 conditions, if any, under which bonds may or shall be redeemed prior to their stated
13 maturity; the place or places of payment of the principal of and the interest on the bonds,
14 which may be at any bank or trust company within or without the State of Maryland;
15 covenants relating to compliance with applicable requirements of federal income tax law,
16 including (without limitation) covenants regarding the payment of rebate or penalties in
17 lieu of rebate; covenants relating to compliance with applicable requirements of federal or
18 State securities laws; and generally all matters incident to the terms, conditions, issuance,
19 sale, and delivery thereof.

20 The bonds may be made redeemable before maturity, at the option of the County, at
21 such price or prices and under such terms and conditions as may be fixed by the County
22 prior to the issuance of the bonds, either in the resolution or in subsequent resolutions. The
23 bonds may be issued in registered form, and provision may be made for the registration of
24 the principal only. In case any officer whose signature appears on any bond ceases to be
25 such officer before the delivery thereof, such signature shall nevertheless be valid and
26 sufficient for all purposes as if the officer had remained in office until such delivery. The
27 bonds and the issuance and sale thereof shall be exempt from the provisions of §§ 19–205
28 and 19–206 of the Local Government Article, as amended.

29 The borrowing authorized by this Act may also be undertaken by the County in the
30 form of installment purchase obligations executed and delivered by the County for the
31 purpose of acquiring easements or similar or related rights in land that restrict the use of
32 agricultural land or woodland to maintain the character of the land as agricultural or
33 woodland. The form of installment purchase obligations, the manner of accomplishing the
34 acquisition of easements, which may be the direct exchange of installment purchase
35 obligations for easement, and all matters incident to the execution and delivery of the
36 installment purchase obligations and acquisition of the easements by the County shall be
37 determined in the resolution. Except where the provisions of this Act would be inapplicable
38 to installment purchase obligations, the term “bonds” used in this Act shall include
39 installment purchase obligations and matters pertaining to the bonds under this Act, such
40 as the security for the payment of the bonds, the exemption of the bonds from State, County,
41 municipal, or other taxation, and authorization to issue refunding bonds and the limitation
42 on the aggregate principal amount of bonds authorized for issuance, shall be applicable to
43 installment purchase obligations.

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

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

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

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

38 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized
39 shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit
40 and unlimited taxing power of the County to the payment of the maturing principal of and
41 interest on the bonds as and when they become payable. In each and every fiscal year that
42 any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem
43 taxes upon all the assessable property within the corporate limits of the County in rate and

1 amount sufficient to provide for or assure the payment, when due, of the principal of and
2 interest on all the bonds maturing in each such fiscal year and, in the event the proceeds
3 from the taxes so levied in any such fiscal year shall prove inadequate for such payment,
4 additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency.
5 The County may apply to the payment of the principal of and interest on any bonds issued
6 hereunder any funds received by it as loan repayments from volunteer fire departments
7 and any funds received by it from the State of Maryland, the United States of America, any
8 agency or instrumentality thereof, or from any other source, if such funds are granted for
9 the purpose of assisting the County in financing the acquisition, construction,
10 improvement, or development of the public facilities defined in this Act, including the water
11 and sewer projects or the making of loans for the aforementioned fire or emergency-related
12 equipment, buildings, or other facilities for volunteer fire departments in the County and,
13 to the extent of any such funds received or receivable in any fiscal year, the taxes that are
14 required to be levied may be reduced accordingly.

15 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further
16 authorized and empowered, at any time and from time to time, to issue its bonds in the
17 manner herein above described for the purpose of refunding, by payment at maturity or
18 upon purchase or redemption, any bonds issued hereunder. The validity of any such
19 refunding bonds shall in no way be dependent upon or related to the validity or invalidity
20 of the obligations so refunded. The powers herein granted with respect to the issuance of
21 bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be
22 issued by the County for the purpose of providing it with funds to pay any of its outstanding
23 bonds issued hereunder at maturity, for the purpose of providing it with funds to purchase
24 in the open market any of its outstanding bonds issued hereunder, prior to the maturity
25 thereof, or for the purpose of providing it with funds for the redemption prior to maturity
26 of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the
27 purpose of providing it with funds to pay interest on any outstanding bonds issued
28 hereunder prior to their payment at maturity of purchase or redemption in advance of
29 maturity, or for the purpose of providing it with funds to pay any redemption or purchase
30 premium in connection with the refunding of any of its outstanding bonds issued
31 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and
32 set apart by the County as a separate trust fund to be used solely for the purpose of paying
33 the purchase or redemption prices of the bonds to be refunded.

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

42 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued
43 pursuant to the authority of this Act, their transfer, the interest payable thereon, and any
44 income derived therefrom in the hands of the holders thereof from time to time (including

1 any profit made in the sale thereof) shall be and are hereby declared to be at all times
2 exempt from State, County, municipal, or other taxation of every kind and nature
3 whatsoever within the State of Maryland. Nothing in this Act shall prevent the County
4 from authorizing the issuance and sale of bonds the interest on which is not excludable
5 from gross income for federal income tax purposes.

6 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
7 money and issue bonds conferred on the County by this Act shall be deemed to provide an
8 additional and alternative authority for borrowing money and shall be regarded as
9 supplemental and additional to powers conferred upon the County by other laws and shall
10 not be regarded as in derogation of any power now existing; and all Acts of the General
11 Assembly of Maryland heretofore passed authorizing the County to borrow money are
12 hereby continued to the extent that the powers contained in such Acts have not been
13 exercised, and nothing contained in this Act may be construed to impair, in any way, the
14 validity of any bonds that may have been issued by the County under the authority of any
15 said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This
16 Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally
17 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the
18 provisions of this Act are hereby repealed to the extent of such inconsistency.

19 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 June 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.