

HOUSE BILL 359

L2

9lr1181

By: **St. Mary's County Delegation**

Introduced and read first time: January 30, 2019

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **St. Mary's County – Building Authority Commission – Repeal**

3 FOR the purpose of repealing certain provisions of law that relate to the Building Authority
4 Commission in St. Mary's County; and generally relating to the Building Authority
5 Commission in St. Mary's County.

6 BY repealing

7 The Public Local Laws of St. Mary's County

8 Section 26–18

9 Article 19 – Public Local Laws of Maryland

10 (2007 Edition and October 2014 Supplement, as amended)

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

13 **Article 19 – St. Mary's County**

14 [26–18.

15 A. There is a St. Mary's County Building Authority Commission as a body politic
16 and corporate and public instrumentality of the County Commissioners of St. Mary's
17 County. The County Commissioners may utilize the Commission to accomplish their public
18 purposes as provided in this section.

19 B. The Commission is created and shall be operated and its powers exercised
20 solely to accomplish the following public purposes of the County Commissioners of St.
21 Mary's County:

22 (1) To acquire and take title to real property within the county.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) To acquire, construct, reconstruct, renovate, rehabilitate, expand or
2 equip improvement on real property owned by the Commission.

3 (3) To lease real property and improvements thereon to the state, the
4 county or any agency or instrumentality of either or any nonprofit corporation.

5 (4) To finance or refinance the acquisition, construction, reconstruction,
6 renovation, rehabilitation, expansion, equipping or leasing of such real property and
7 improvements thereon by the issuance and sale of limited obligation bonds.

8 C. Subject to the provisions of this section, the Commission may adopt an official
9 seal, sue and be sued, make and enter into contracts and agreements, acquire, hold,
10 transfer and dispose of any property or interest therein and exercise such other powers as
11 the Board of County Commissioners confers upon it to implement the public purposes of
12 this section. The exercise by the Commission of the powers conferred upon it shall be
13 deemed to be the performance of an essential public function.

14 D. Members of the Commission shall be appointed by and shall serve at the
15 pleasure of the County Commissioners. A member may be removed at any time, with or
16 without cause.

17 E. Subject to the provisions of this section, the County Commissioners shall
18 determine or approve all matters relating to the structure, organization and administration
19 of the Commission, including:

20 (1) The number, tenure, manner of appointment and compensation (if any)
21 of its members.

22 (2) The tenure and manner of election of its officers.

23 (3) Staffing requirements and appointments.

24 (4) The bylaws and procedures used by the Commission for the regulation
25 of its affairs and the conduct of its business.

26 F. The Board of County Commissioners may appropriate funds to provide for the
27 necessary expenses of the Commission.

28 G. The Commission, on behalf of the County Commissioners of St. Mary's County
29 and with the approval of the Board of County Commissioners, may issue and sell its limited
30 obligation bonds at any time and from time to time for the purpose of financing or
31 refinancing the costs of acquiring, constructing, reconstructing, renovating, rehabilitating,
32 expanding, equipping or leasing real property, and improvements thereon, pursuant to this
33 section and for the purpose of refunding outstanding bonds, including the necessary
34 expenses of preparing, printing, selling and issuing the bonds, the funding of reserves and
35 the payment of interest in such amounts and for such period as the Commission deems
36 reasonable.

1 H. Bonds issued by the Commission shall be authorized by a resolution or
2 resolutions of the Commission which shall specify, prescribe, determine, provide for and
3 approve such matters, details, forms, documents or procedures as the Commission may
4 deem appropriate to the authorization, sale, security, issuance, delivery or payment of or
5 for the bonds.

6 I. The Commission may enter into a trust agreement with any trust company or
7 bank having the powers of a trust company in order to secure the bonds through a pledge
8 or assignment of revenues to be received by the Commission to pay the principal of,
9 premium (if any) and interest on the bonds. As additional security for the payment of the
10 principal of, premium (if any) on, and interest on the bonds, the Commission may convey
11 or assign any real or personal property financed or refinanced out of the proceeds of the
12 sale of the bonds. Such pledge, conveyance, or assignment shall be valid and binding
13 against any person having a claim of any kind against the Commission, irrespective of
14 whether the person has notice.

15 J. Bonds issued by the Commission shall bear such date or dates, mature at such
16 time or times, not exceeding thirty (30) years from their respective dates, bear interest at
17 such rate or rates, be payable at such time or times, be in such denominations, be in such
18 form, either coupon or registered, carry such registration privileges, be executed in such
19 manner, be payable in lawful money of the United States of America at such place or places
20 and may be subject to such terms of redemption as the Commission shall determine. The
21 bonds shall be sold in such manner, either at public or private (negotiated) sale, and upon
22 such terms, at, above or below par, as the Commission deems best. The bonds are not
23 subject to the limitations of §§ 9, 10 or 11 of Article 31 of the Annotated Code of Maryland.

24 K. Bonds issued by the Commission and the interest on them are limited
25 obligations of the Commission, the principal of, premium (if any) and interest on which are
26 payable solely from rents or other revenues derived from the real property, and
27 improvements thereon, acquired, constructed, reconstructed, renovated, rehabilitated,
28 expanded, equipped, or leased by the Commission pursuant to this section, from any other
29 funds made available to the Commission for such purpose and, in the event the trustee
30 under the trust agreement securing such bonds holds any additional security for the
31 payment of the principal of, premium (if any) on, and interest on the bonds, from the
32 proceeds of such security. Neither the bonds issued by the Commission nor the interest on
33 them shall ever constitute an indebtedness or a charge against the general credit of the
34 Commission or the general credit or taxing power of the County Commissioners of St.
35 Mary's County within the meaning of any constitutional or statutory limitation and neither
36 shall ever constitute or give rise to any pecuniary liability of the Commission or the County
37 Commissioners of St. Mary's County, except to the extent that the county may be the lessee
38 of the real property and improvements thereon with respect to which the bonds are issued.

39 L. The Commission shall be exempt from any payment of or liability for any and
40 all ordinary taxes, whether federal, state or local, now or hereafter levied or imposed and
41 any assessments or other governmental charges. The principal amount of bonds issued by
42 the Commission, the interest payable on them, their transfer and any income derived from

1 them, including any profit made in the sale or transfer of them, are and shall remain
2 exempt from taxation of every kind and nature whatsoever by the State of Maryland or by
3 any of its political subdivisions, municipal corporations or public agencies of any kind.

4 M. The net earnings of the Commission, aside from those necessary to pay debt
5 service or to implement the public purposes of this section, may not inure to the benefit of
6 any person other than the County Commissioners of St. Mary's County.

7 N. Subject to the provisions of this section and to any limitations imposed by law
8 upon the impairment of contracts, the Board of County Commissioners may at any time
9 change the structure, organization, procedures, programs or activities of the Commission
10 or terminate the Commission. Upon termination of the Commission, title to all its property
11 shall vest in and all obligations and assets of the Commission shall be transferred to and
12 assumed by the County Commissioners of St. Mary's County.

13 O. Any action or determination of the Board of County Commissioners required
14 or permitted by this section shall be taken or made solely by resolution of the Board.

15 P. Nothing contained in this section shall exempt the Commission from
16 compliance with the requirements of §§ 19–101 et seq. of the Health–General Article of the
17 Annotated Code of Maryland, relating to the construction of or expenditures by healthcare
18 facilities.

19 Q. Notwithstanding any other provision of public general law or public local law:

20 (1) The Commission or any assignee of the Commission may bring suit in
21 any court of competent jurisdiction against the state, the county, or any agency or
22 instrumentality of either to enforce any lease or other agreement entered into between the
23 Commission and the state, the county, or any agency or instrumentality of either; and

24 (2) The provisions of Sections 12–202 through 12–204 of the State
25 Government Article, that relate to the waiver or bar of the defense of sovereign immunity
26 and the satisfaction of final judgments rendered against the state or any agency or
27 instrumentality of the state, apply to any lease or other agreement entered into between
28 the Commission and the state or any agency or instrumentality of the state.

29 R. Leases.

30 (1) The county may enter into a lease or other agreement with the
31 Commission in order to accomplish the public purposes of this section.

32 (2) Any lease or other agreement between the county and the Commission
33 shall be on such terms and conditions as the Board of County Commissioners may
34 determine and shall be legally binding upon the county and enforceable against the county
35 in accordance with its terms.

1 (3) Any lease between the county and the Commission may be for a term of
2 any number of years, and any rent thereunder may be payable from the general funds of
3 the county or from any special funds as may be designated by the Board of County
4 Commissioners.]

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2019.