

# HOUSE BILL 878

L6, M3

1r2174  
CF 1r2173

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By: **Delegate Chang**

Introduced and read first time: January 29, 2021

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – County Authority to Incur Indebtedness**

3 FOR the purpose of authorizing a county to borrow money and incur indebtedness through  
4 the issuance and sale of notes in anticipation of the receipt of the county's allocation  
5 of funds from the Bay Restoration Fund; authorizing a county to expend the net  
6 proceeds of the sale of a certain issue of notes only for certain purposes; authorizing  
7 the principal of certain notes and the interest on certain notes to be paid from certain  
8 sources; authorizing a county to pledge its full faith and credit and taxing power to  
9 the payment of the principal of and interest on certain notes under certain  
10 circumstances; providing that the authority to borrow money and issue notes granted  
11 to counties by this Act is supplemental to and not in derogation of certain other  
12 powers; and generally relating to the Bay Restoration Fund.

13 BY adding to

14 Article – Local Government

15 Section 19–1001 through 19–1004 to be under the new subtitle “Subtitle 10. Public  
16 Debt – Grants and Loans for Septic Upgrades”

17 Annotated Code of Maryland

18 (2013 Volume and 2020 Supplement)

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

21 **Article – Local Government**

22 **SUBTITLE 10. PUBLIC DEBT – GRANTS AND LOANS FOR SEPTIC UPGRADES.**

23 **19–1001.**

24 **A COUNTY MAY BORROW MONEY AND INCUR INDEBTEDNESS THROUGH THE**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 ISSUANCE AND SALE OF NOTES IN ANTICIPATION OF THE RECEIPT OF THE COUNTY'S  
2 ALLOCATION OF FUNDS FROM THE BAY RESTORATION FUND.

3 19-1002.

4 A COUNTY MAY EXPEND THE NET PROCEEDS OF THE SALE OF AN ISSUE OF  
5 NOTES ONLY TO:

6 (1) MAKE GRANTS AND LOANS IN ACCORDANCE WITH §  
7 9-1605.2(H)(2)(I) OF THE ENVIRONMENT ARTICLE; OR

8 (2) REFUND ONE OR MORE ISSUES OF NOTES.

9 19-1003.

10 (A) THE PRINCIPAL OF THE NOTES MAY BE PAID FROM:

11 (1) THE COUNTY'S ALLOCATION OF FUNDS FROM THE BAY  
12 RESTORATION FUND; AND

13 (2) ANY OTHER REVENUES THAT ARE PLEDGED TO THE PAYMENT OF  
14 THE NOTES IN THE AUTHORIZING RESOLUTION.

15 (B) THE INTEREST ON THE NOTES MAY BE PAID FROM:

16 (1) ANY REVENUES, OTHER THAN THE COUNTY'S ALLOCATION OF  
17 FUNDS FROM THE BAY RESTORATION FUND, THAT ARE PLEDGED TO THE PAYMENT  
18 OF THE NOTES IN THE AUTHORIZING RESOLUTION; OR

19 (2) MONEY MADE AVAILABLE TO THE COUNTY TO FINANCE UPGRADES  
20 TO ON-SITE SEWAGE DISPOSAL SYSTEMS FROM:

21 (I) THE STATE OR A UNIT OF THE STATE, EXCEPT FOR THE  
22 FUNDS FROM THE BAY RESTORATION FUND ALLOCATED UNDER THIS SUBTITLE FOR  
23 GRANTS AND LOANS;

24 (II) THE FEDERAL GOVERNMENT OR A UNIT OF THE FEDERAL  
25 GOVERNMENT; OR

26 (III) ANY OTHER SOURCE.

27 (C) (1) A COUNTY MAY PLEDGE ITS FULL FAITH AND CREDIT AND TAXING  
28 POWER TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTES IN

1 THE AUTHORIZING RESOLUTION.

2 (2) A COUNTY THAT MAKES A PLEDGE UNDER PARAGRAPH (1) OF  
3 THIS SUBSECTION SHALL, IN EACH FISCAL YEAR THAT ANY OF THE NOTES ARE  
4 OUTSTANDING, IMPOSE AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE  
5 COUNTY AT A RATE AND AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND  
6 INTEREST ON THE NOTES MATURING IN THAT FISCAL YEAR.

7 (3) IF THE PROCEEDS FROM THE TAXES IMPOSED IN ANY FISCAL YEAR  
8 PROVE INADEQUATE FOR THE PAYMENT, THE COUNTY SHALL IMPOSE ADDITIONAL  
9 TAXES IN THE SUCCEEDING FISCAL YEAR TO MAKE UP THE DEFICIENCY.

10 19-1004.

11 THE AUTHORITY TO BORROW MONEY AND ISSUE NOTES GRANTED TO A  
12 COUNTY UNDER THIS SUBTITLE IS:

13 (1) SUPPLEMENTAL TO ANY OTHER POWER GRANTED TO A COUNTY BY  
14 ANY OTHER LAW; AND

15 (2) NOT IN DEROGATION OF ANY OTHER EXISTING POWER OF A  
16 COUNTY TO BORROW MONEY.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
18 1, 2021.