

SENATE BILL 701

L6, M3

11r2173
CF HB 878

By: **Senator West**

Introduced and read first time: February 3, 2021

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2021

CHAPTER _____

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 a certain account of the Bay Restoration Fund; authorizing a county to
6 expend the net proceeds of the sale of a certain issue of notes only for certain
7 purposes; authorizing the principal of certain notes and the interest on certain notes
8 to be paid from certain sources; authorizing a county to pledge its full faith and credit
9 and taxing power to the payment of the principal of and interest on certain notes
10 under certain circumstances; providing that the authority to borrow money and issue
11 notes granted to counties by this Act is supplemental to and not in derogation of
12 certain other 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**

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.



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

2 **19-1001.**

3 **A COUNTY MAY BORROW MONEY AND INCUR INDEBTEDNESS THROUGH THE**
4 **ISSUANCE AND SALE OF NOTES IN ANTICIPATION OF THE RECEIPT OF THE COUNTY'S**
5 **ALLOCATION OF FUNDS FROM THE SEPARATE ACCOUNT OF THE BAY RESTORATION**
6 **FUND ESTABLISHED UNDER § 9-1605.2(H) OF THE ENVIRONMENT ARTICLE.**

7 **19-1002.**

8 **A COUNTY MAY EXPEND THE NET PROCEEDS OF THE SALE OF AN ISSUE OF**
9 **NOTES ONLY TO:**

10 **(1) MAKE GRANTS AND LOANS IN ACCORDANCE WITH §**
11 **9-1605.2(H)(2)(I) OF THE ENVIRONMENT ARTICLE; OR**

12 **(2) REFUND ONE OR MORE ISSUES OF NOTES.**

13 **19-1003.**

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

15 **(1) THE COUNTY'S ALLOCATION OF FUNDS FROM THE BAY**
16 **RESTORATION FUND; AND**

17 **(2) ANY OTHER REVENUES THAT ARE PLEDGED TO THE PAYMENT OF**
18 **THE NOTES IN THE AUTHORIZING RESOLUTION.**

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

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

23 **(2) MONEY MADE AVAILABLE TO THE COUNTY TO FINANCE UPGRADES**
24 **TO ON-SITE SEWAGE DISPOSAL SYSTEMS FROM:**

25 **(I) THE STATE OR A UNIT OF THE STATE, EXCEPT FOR THE**
26 **FUNDS FROM THE BAY RESTORATION FUND ALLOCATED UNDER THIS SUBTITLE FOR**
27 **GRANTS AND LOANS;**

28 **(II) THE FEDERAL GOVERNMENT OR A UNIT OF THE FEDERAL**
29 **GOVERNMENT; OR**

1 (III) ANY OTHER SOURCE.

2 (C) (1) A COUNTY MAY PLEDGE ITS FULL FAITH AND CREDIT AND TAXING
3 POWER TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTES IN
4 THE AUTHORIZING RESOLUTION.

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

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

13 19-1004.

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

16 (1) SUPPLEMENTAL TO ANY OTHER POWER GRANTED TO A COUNTY BY
17 ANY OTHER LAW; AND

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.