

CHARTER RESOLUTION NO. 126-20

**Amending Article IV, Section 401, General Powers
of the Town Charter of the Town of Bel Air**

WHEREAS, the Board of Town Commissioners wish to amend the Town Charter of the Town of Bel Air to authorize the Town of Bel Air to borrow from financial institutions to obtain funds for purchasing vehicles, other equipment, furniture, and/or fixtures and to authorize any financial institution lending such funds to place a lien on any vehicles, other equipment, furniture, or fixtures purchased from such funds, to be used as collateral to secure repayment of such loan, without issuance by the Town of any bonds or tax anticipation notes ; and

WHEREAS, Section 19-301(a) of Subtitle 3 of the Local Government Article of the Annotated Code of Maryland, provides that "...each municipality may provide a procedure to borrow money for any public purpose that is different from the procedure described in this subtitle," (referring to Sections 19-302 through 19-309 concerning issuance of general obligation bonds, revenue bonds and tax anticipation notes)..

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Bel Air Board of Town Commissioners, that Article IV, Section 401 b.7 of the Town Charter shall read as follows:

Section 401. General Powers

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7. **Borrowing: General Obligation Bonds, Bond Anticipation Notes, Refunding Bonds, Tax Anticipation Notes, Any Other Evidence of Indebtedness, Manner of Issuance and Sale of Bonds and the Issuance of Any Other Issuance of Indebtedness, Debt Limitation, Referendum.**

a. **Authority to Borrow**

In addition to any other borrowing power which the Town may presently have, from whatever source derived, and notwithstanding any other provision or limitation of public general or public local law, the Board of Commissioners shall have the power to borrow money and incur indebtedness, from time to time, for any public purpose and to evidence such borrowing and indebtedness by the issuance and sale of its general obligation bonds, bond anticipation notes, refunding bonds, tax anticipation notes, and the issuance of any other evidence of indebtedness as hereafter provided.

b. **Debt Limitation**

However, in issuing general obligation bonds, bond anticipation notes, or refunding bonds, the Board of Town Commissioners shall be further limited as follows:

1. It shall issue no bonds, if, by the issuance thereof, the total bonded indebtedness of the Town, less the amount of sinking funds established for the retirement thereof, would exceed six percent (6%) of the assessed value of all real and personal property in said Town taxable for municipal purposes and,

2. Except as herein provided specifically, the Board shall issue no bonds, no certificate of indebtedness, no tax anticipation notes, no

bond anticipation notes or any other evidence of indebtedness, if by the issuance thereof, the total indebtedness of the Town on bonds, certificates of indebtedness, tax anticipation notes, bond anticipation notes, or any other instruments of indebtedness, shall exceed the annual income of the Town less all sinking funds and interest requirements on all indebtedness previously incurred, whether bonded or otherwise.

c. **Tax Anticipation Notes (Exception to Debt Limitation)**

The Board of Commissioners may issue notes of indebtedness, bearing interest not to exceed in amount the annual revenue of the Town, less the amount of all sinking funds previously provided for, said notes and interest to be paid only from such revenue and within one year from the date of their issue; and such notes may be issued in pursuance of a resolution duly adopted without submitting the question to a vote of the taxpayers.

d. **Other Evidence of Indebtedness**

The Town of Bel Air may borrow from a financial institution to obtain funds to purchase vehicles, other equipment, furniture, and/or fixtures and may authorize the financial institution making the loan to place a lien on any vehicle, other equipment, furniture or fixture purchased from such funds to be used as collateral to secure repayment of such loan.

e.e. **Manner of Issuance and Sale of Bonds and Other Indebtedness**

The Board of Commissioners may issue and sell such general obligation bonds, bond anticipation notes, refunding bonds, tax anticipation notes and other evidence of indebtedness of the Town of Bel Air as may be authorized by this Charter or the laws of Maryland now or hereafter enacted, or both, in any commercially reasonable manner, either by public or private sale, in accordance with such terms as the Board of Commissioners shall, in its discretion, determine by resolution.

e.f. **Referendum**

The Board of Commissioners may, in their general discretion, submit the question of the issuance of general obligation bonds to a referendum of the registered voters of the Town at either the next regular Town election or at a special election duly called and held for the purpose pursuant to the authority and in the manner prescribed by this Charter. However, the Board of Commissioners shall be required to submit any bond issue to referendum if, within ten (10) days after the first publication of a resolution authorizing any bond issue the Chairman of the Board of Commissioners shall be served with notice signed by not fewer than one hundred (100) of the registered voters of Bel Air advising that a petition for a referendum on such bond issue is being circulated by one or more of the persons signing said notice, and if, within thirty (30) days after the first publication of a fair summary of the resolution, there shall be filed with the Chairman of the Board of Commissioners a petition or petitions requesting such a referendum signed by not fewer than twenty per cent (20%) of the registered voters of the Town. Upon the filing of such notice or petition, the Chairman of the Board of Commissioners shall

promptly submit the same to the Board of Election Judges for the purpose of determining whether said notice or petition has been properly signed as herein provided.

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AND BE IT FURTHER RESOLVED that this Charter Resolution shall become effective on the 4th day of May, 2020.

INTRODUCTION: April 20, 2020

PUBLIC HEARING: May 04, 2020


ENACTMENT: May 04, 2020

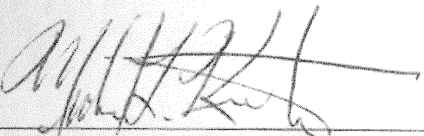
EFFECTIVE: June 9, 2020

AYES: Commissioners Bianca, Hughes, Kahoe, Richards and Chmielewski

NAYS: None

ABSENT: None


Amy G. Chmielewski, Chair
Board of Town Commissioners


Michael L. Krantz, Town Clerk