

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2017-15**

BILL NO. 2017-16

Title of Bill: General Obligation Bond Authorization

Synopsis: An Act authorizing and empowering Cecil County, Maryland, from time to time, to borrow not more than Forty Two Million Four Hundred Thousand Dollars (\$42,400,000) for the purpose of financing the costs of certain public facilities in Cecil County described herein, and to effect such borrowing by the issuance and sale of its general obligation bonds in one or more series; empowering the County Executive to execute and deliver one or more executive orders prior to issuing the bonds in order to fix, prescribe and determine the details of the bonds and the issuance and sale thereof; empowering and directing the County to levy ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, or successor provision; authorizing the County to issue and sell bond anticipation notes in one or more series pursuant to the authority of Sections 19-211 through 19-221 of the Local Government Article of the Annotated Code of Maryland, or successor provision, prior to and in anticipation of the sale of the bonds; providing that the County may issue and sell all or any portion of the bonds as bonds, the interest on which is not excludable from gross income for federal income tax purposes; and relating generally to the issuance and sale of such bonds.

Introduced by: Council President on behalf of the County Executive

Introduced, read first time and ordered posted on: August 1, 2017

Public hearing scheduled: September 5, 2017 at: 7:00 p.m.

Scheduled for Consideration: September 19, 2017

By: _____
Council Manager

Public Hearing

Notice of time and place of public hearing and title of Bill have been posted by ____ at the County Administration Building, 200 Chesapeake Blvd., Elkton and having been published according to the Charter on _____, a public hearing was held on _____, and concluded on _____.

By: _____
Council Manager

Explanation: CAPITALS INDICATE MATTER ADDED TO EXISTING BILL.
{Brackets} indicate matter deleted from existing law.
Underlining indicates language added to Bill by amendment.
~~Strike through~~ indicates language stricken out of Bill by amendment.

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1 **WHEREAS**, Section 10-203 of the Local Government Article of the Annotated Code of Maryland
2 authorizes a charter county to provide for the borrowing of moneys on the faith and credit of the county
3 and for the issuance of bonds or other evidences of indebtedness therefor in such sums, for such purposes,
4 on such terms and payable at such times, and from such taxes or other sources as may have been or may
5 be provide by or pursuant to local law, subject to certain limitations; and

6 **WHEREAS**, Cecil County, Maryland wishes to provide for the borrowing of not more than
7 \$42,400,000 for the purpose of financing certain public facilities in Cecil County and to effect such
8 borrowing by the issuance and sale of its general obligation bonds on one or more series, all as more
9 particularly described herein.

10 **NOW THEREFORE, BE IT HEREBY ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
11 **MARYLAND**, as follows:

12 Section 1. Pursuant to Section 10-203 of the Local Government Article of the Annotated Code of
13 Maryland (the "Bond Act"), Cecil County, Maryland (the "County") is hereby authorized and empowered to
14 borrow money and incur indebtedness for the public purposes described in section (b) hereof, in an
15 amount not to exceed, in the aggregate, Forty Two Million Four Hundred Thousand Dollars (\$42,400,000)
16 and to evidence such borrowing by issuing, selling and delivering its bonds, at any time or from time to time
17 and in one or more series, in an aggregate principal amount not to exceed in the aggregate, Forty Two
18 Million Four Hundred Thousand Dollars (\$42,400,000) (the "Bonds"), subject to the provisions and
19 conditions of this Act.

20 Section 2. The proceeds from the sale of the Bonds (including any premium received upon the sale
21 of the Bonds) may be applied for the public purpose of financing, refinancing or reimbursing expenditures
22 made for all or a portion of the costs of the acquisition, planning, design, construction, repair, renovation,
23 reconstruction, alteration and equipping of any project included in the County's approved Capital
24 Improvement Program (which shall include engineering, architectural, fiscal and legal expenses related
25 thereto, the acquisition of land and other interests in property, furnishings and equipment, related site and
26 utility improvements, and capitalized interest during construction and for a reasonable period thereafter,
27 whether or not specifically stated, and which may represent the County's share or contribution to the
28 financing or refinancing of such projects), together with the costs of issuing the Bonds (which costs may
29 include the costs of bond insurance or other credit enhancement) (collectively, the "Projects"), including:

30 (1) real property and interests therein, including development rights relating thereto;

- 31 (2) various public schools and facilities in the County;
- 32 (3) various facilities in the County to house the Cecil Community College;
- 33 (4) general government facilities, including courthouses, libraries, parks, recreation facilities,
34 emergency services and sheriff facilities and solid waste disposal facilities;
- 35 (5) stormwater management facilities;
- 36 (6) wastewater facilities; and
- 37 (7) roads and bridges in the County.

38 The County Council of Cecil County (the "County Council") may amend this Act to authorize use of
39 the proceeds of the Bonds, including any excess proceeds after application for the purposes described in
40 this section, to such other public purpose or purposes as the County Council may approve by enactment of
41 an amendment to this Act. The use of the proceeds of the Bonds by the County to finance the costs of the
42 Projects is a proper public purpose which may be financed by the issuance of the Bonds pursuant to the
43 Bond Act.

44 Section 3. For the purpose of paying the interest on and redeeming and paying the Bonds as they
45 mature, in each and every fiscal year that any of the Bonds are outstanding, the County shall levy or cause
46 to be levied ad valorem taxes upon all the legally assessable property within the corporate limits of the
47 County, in rate and amount sufficient to provide for the payment, when due, of the principal of and interest
48 on all of the Bonds maturing in each such fiscal year and, if the proceeds from the taxes so levied in any
49 fiscal year prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year
50 to make up any deficiency. In case the Bonds shall be issued in any fiscal year after the making of the
51 regular levy for that fiscal year, any and all interest becoming due before the next levy shall be paid out of
52 any other funds at the disposal of the County; and there shall be levied at the next succeeding levy an
53 amount sufficient to reimburse such other funds. The County may apply to the payment of the principal of
54 and interest on any Bonds issued hereunder any funds received by it from the State of Maryland, the
55 United States of America, any agency or instrumentality of either, or from any other source. Taxes that
56 might otherwise be required to be levied under this Act may be reduced or need not be levied to the extent
57 that any such funds are received or receivable in any fiscal year.

58 Section 4. The full faith and credit and unlimited taxing power of the County are hereby irrevocably
59 pledged to the payment of the maturing principal of and interest on the Bonds as and when such principal
60 and interest respectively mature and to the levy and collection of the taxes prescribed in this Section as and

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61 when such taxes may become necessary in order to provide sufficient funds to meet the debt service
62 requirements of the Bonds.

63 Section 5. Prior to the issuance and sale of all or any part of the Bonds, the County Executive shall
64 execute and deliver an executive order to fix, prescribe and determine, or provide for the method of
65 determining, the title, date of issue, and denomination(s) of the Bonds, the aggregate principal amount of
66 and maturity schedule for the Bonds, the form and tenor thereof, the places of payment of the principal
67 thereof and the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved
68 right, if any, to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of
69 said right, the rate or rates of interest payable on the Bonds, or the method of determining the same,
70 details relating to the sale of the Bonds (which may be at private (negotiated) sale, or at public sale by
71 competitive bid, the Bonds to be sold in such manner and upon such terms as the County Executive deems
72 to be in the best interest of the County), the form of the notice of sale, if the Bonds are to be sold at public
73 sale by competitive bid, the allocation of bond proceeds to one or more of the Projects, the award of the
74 Bonds to the purchaser thereof, the price at which the Bonds shall be sold (which may be at, above or
75 below par), the application of any premium paid to the County upon the sale of the Bonds, and any other
76 details, terms or conditions relating to the issuance, sale, delivery and payment of the Bonds. The Bonds
77 shall be executed in the name of the County and on its behalf by the manual or facsimile signatures of the
78 County Executive and the Director of Finance and the corporate seal of the County or a facsimile thereof,
79 shall be imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of
80 the Director of Administration of the County.

81 Section 6. Under Section 19-101 of the Local Government Article of the Annotated Code of
82 Maryland, the County Council authorizes the County to consolidate for sale and issue, sell and deliver all or
83 any portion of the Bonds and any other bonds authorized by any other law as a single issue of bonds, at any
84 time and from time to time.

85 Section 7. The Bonds and their issuance and sale shall be exempt from the provisions of Sections
86 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as in effect from
87 time to time.

88 Section 8. Pursuant to Sections 19-211 through 19-221, inclusive, of the Local Government Article
89 of the Annotated Code of Maryland and this Act, the County may issue and sell bond anticipation notes (the
90 "Notes") in one or more series prior to and in anticipation of the issuance and sale of the Bonds. Prior to

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91 the issuance, sale and delivery of any Notes, the County Executive shall execute and deliver an executive
92 order authorizing the Notes and specifying, prescribing, determining, providing for and approving all
93 matters, details, forms, documents and procedures necessary to effect the sale, security, issuance, delivery
94 and payment of and for the Notes. The County covenants that (a) it will pay the principal of and interest on
95 the Notes, to the extent not paid from the proceeds of the sale of the Notes, from the proceeds of the
96 Bonds, and (b) it will issue the Bonds when, and as soon as, the reason for deferring their issuance no
97 longer exists.

98 Section 9. Nothing in this Act shall prevent the County from issuing and selling all or any part of the
99 Bonds, as bonds the interest on which is not excludable from gross income for federal income tax purposes.

100 Section 10. The authority to borrow money and to issue bonds conferred on the County by this Act
101 shall be deemed to provide additional, alternative and supplemental authority for borrowing money and
102 shall be regarded as supplemental and additional to powers conferred upon the County by other laws and
103 shall not be regarded as in derogation of any power now existing; and all previously enacted laws
104 authorizing the County to borrow money are hereby continued to the extent that the power contained in
105 them is continuing or has not been exercised, unless any law is expressly repealed by this Act, and the
106 validity of any bonds issued under previously enacted laws is hereby ratified, confirmed and approved. This
107 Act, being necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to affect
108 its purposes.

109 Section 11. The provisions of this Act are severable, and if any provision, sentence, clause, section
110 or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or
111 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair
112 any of the remaining provisions, sentences, clauses, sections, or parts of this Act or their application to
113 other persons or circumstances. It is hereby declared to be the legislative intent that this Act would have
114 been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not
115 been included herein, and if the person or circumstances to which this Act or any part hereof are
116 inapplicable had been specifically exempted therefrom.

117 **AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY,** that this Act shall take
118 effect 60 calendar days from the date it becomes law.

CERTIFICATION

I, HEREBY CERTIFY that the above Bill was posted for the public on the public bulletin board with the date, time and location of the public hearing meeting, copies were made available for the public, a copy was distributed to the press, and copy was made available on the Cecil County website.

BY: Council Manager