

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND**

**LEGISLATIVE SESSION DAY 2017-21**

**BILL NO. 2017-23**

**Title of Bill: Bond Authorization - Mill Run Sewer Extension - USDA**

**Synopsis:** An Act authorizing and empowering Cecil County, Maryland, from time to time, to borrow not more than Eight Million Seventy Thousand Dollars (\$8,070,000) for the purpose of financing the costs of the Mill Run Sewer Infrastructure Extension, and to effect such borrowing by the issuance and sale of its general obligation bond at private sale to the United States of America, acting by and through the United States Department of Agriculture, Rural Development; empowering the County Executive to execute and deliver an executive order prior to issuing the bond in order to fix, prescribe and determine the details of the bond 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 bond; exempting the bond from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, or successor provision; providing that the County may issue and sell the bond as a bond 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 bond.

**Introduced by:** Council President on behalf of County Executive

**Introduced, read first time and ordered posted on:** November 7, 2017

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

**Scheduled for Consideration:** December 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 \$8,070,000 for the purpose of financing the costs of the Mill Run Sewer Infrastructure Extension and to  
8 effect such borrowing by the issuance and sale of its general obligation bond at private sale to the United  
9 States of America, acting by and through the United States Department of Agriculture, Rural Development,  
10 all as more particularly described herein.

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

13           Section 1. Pursuant to Section 10-203 of the Local Government Article of the Annotated Code of  
14 Maryland (the "Bond Act"), Cecil County, Maryland (the "County") is hereby authorized and empowered to  
15 borrow money and incur indebtedness for the public purpose described in section (b) hereof, in an amount  
16 not to exceed, in the aggregate, Eight Million Seventy Thousand Dollars (\$8,070,000) and to evidence such  
17 borrowing by issuing, selling and delivering its general obligation bond in an aggregate principal amount not  
18 to exceed Eight Million Seventy Thousand Dollars (\$8,070,000) (the "Bond"), subject to the provisions and  
19 conditions of this Act. The Bond shall be sold at private sale to the United States of America, acting by and  
20 through the United States Department of Agriculture, Rural Development ("USDA") and shall contain such  
21 terms and conditions as set forth in the letter from USDA to the County dated September 6, 2017, which is  
22 attached hereto as Exhibit 1 and made a part hereof, as such terms and conditions may be amended from  
23 time to time by USDA and the County.

24           Section 2. The proceeds from the sale of the Bond may be applied for the public purpose of  
25 financing, refinancing or reimbursing expenditures made for all or a portion of the costs of the acquisition,  
26 planning, design, construction, repair, renovation, reconstruction, alteration and equipping of the Mill Run  
27 Sewer Infrastructure Extension (the "Project"). The use of the proceeds of the Bond by the County to  
28 finance the costs of the Project is a proper public purpose which may be financed by the issuance of the  
29 Bond pursuant to the Bond Act.

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30           Section 3. For the purpose of paying the interest on and redeeming and paying the Bond as it  
31 matures, in each and every fiscal year that the Bond is outstanding, the County shall levy or cause to be  
32 levied ad valorem taxes upon all the legally assessable property within the corporate limits of the County,  
33 in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on the  
34 Bond maturing in each such fiscal year and, if the proceeds from the taxes so levied in any fiscal year prove  
35 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any  
36 deficiency. In case the Bond shall be issued in any fiscal year after the making of the regular levy for that  
37 fiscal year, any and all interest becoming due before the next levy shall be paid out of any other funds at  
38 the disposal of the County and there shall be levied at the next succeeding levy an amount sufficient to  
39 reimburse such other funds. The County may apply to the payment of the principal of and interest on the  
40 Bond any funds received by it from the State of Maryland, the United States of America, any agency or  
41 instrumentality of either, or from any other source, including without limitation, funds received from the  
42 levy and collection of the benefit assessments and the imposition of connection, service and other charges  
43 as provided in §§ 97-17 through 97-20, inclusive, of the Cecil County Code. Taxes that might otherwise be  
44 required to be levied under this Act may be reduced or need not be levied to the extent that any such funds  
45 are received or receivable in any fiscal year.

46           Section 4. The full faith and credit and unlimited taxing power of the County are hereby irrevocably  
47 pledged to the payment of the maturing principal of and interest on the Bond as and when such principal  
48 and interest respectively mature and to the levy and collection of the taxes prescribed in this Section as and  
49 when such taxes may become necessary in order to provide sufficient funds to meet the debt service  
50 requirements of the Bond.

51           Section 5. Prior to the issuance and sale of the Bond, the County Executive shall execute and deliver  
52 an executive order to fix, prescribe and determine the title and date of issue of the Bond, the principal  
53 amount of and maturity schedule for the Bond, the form and tenor thereof, the places of payment of the  
54 principal thereof and the interest to accrue thereon, any registrar and/or paying agent for the Bond, the  
55 reserved right, if any, to redeem the Bond prior to maturity, the rate of interest payable on the Bond,  
56 details relating to the sale of the Bond at private sale to USDA, and any other details, terms or conditions  
57 relating to the issuance, sale, delivery and payment of the Bond; provided that all of such details, terms and  
58 conditions shall meet the requirements set forth in Exhibit 1, unless otherwise agreed to by USDA and the  
59 County. The Bond shall be executed in the name of the County and on its behalf by the manual or facsimile

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60 signatures of the County Executive and the Director of Finance and the corporate seal of the County or a  
61 facsimile thereof, shall be imprinted or otherwise reproduced thereon, and attested by the manual or  
62 facsimile signature of the Director of Administration of the County.

63 Section 6. The Bond and its issuance and sale shall be exempt from the provisions of Sections 19-  
64 205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as in effect from time  
65 to time.

66 Section 7. Nothing in this Act shall prevent the County from issuing and selling the Bond as a bond  
67 the interest on which is not excludable from gross income for federal income tax purposes.

68 Section 8. The authority to borrow money and to issue the Bond conferred on the County by this  
69 Act shall be deemed to provide additional, alternative and supplemental authority for borrowing money  
70 and shall be regarded as supplemental and additional to powers conferred upon the County by other laws  
71 and shall not be regarded as in derogation of any power now existing; and all previously enacted laws  
72 authorizing the County to borrow money are hereby continued to the extent that the power contained in  
73 them is continuing or has not been exercised, unless any law is expressly repealed by this Act, and the  
74 validity of any bond issued under previously enacted laws is hereby ratified, confirmed and approved. This  
75 Act, being necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to affect  
76 its purposes.

77 Section 9. The provisions of this Act are severable, and if any provision, sentence, clause, section or  
78 part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances,  
79 such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the  
80 remaining provisions, sentences, clauses, sections, or parts of this Act or their application to other persons  
81 or circumstances. It is hereby declared to be the legislative intent that this Act would have been passed if  
82 such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included  
83 herein, and if the person or circumstances to which this Act or any part hereof are inapplicable had been  
84 specifically exempted therefrom.

85 **AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,** that this  
86 Act shall take 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 a copy was made available on the Cecil County website.

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BY: Council Manager