

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION 2019-14**

BILL NO. 2019-09

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 Seven Million Dollars (\$47,000,000) 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 at the request of the County Executive

Introduced and order posted on: July 16, 2019

Public hearing scheduled on: August 20, 2019 at 7:00pm

Consideration scheduled on: September 3, 2019

By: _____
Council Manager

PUBLIC HEARING

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

By: _____
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment.

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
4 purposes, on such terms and payable at such times, and from such taxes or other sources as may have
5 been or may be provided 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 Forty
7 Seven Million Dollars (\$47,000,000) for the purpose of financing certain public facilities in Cecil County
8 and to effect such borrowing by the issuance and sale of its general obligation bonds in one or more
9 series, all as more particularly described herein.

10 **NOW THEREFORE, BE IT HEREBY ENACTED BY THE COUNTY COUNCIL OF CECIL**
11 **COUNTY, 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 2 hereof, in an
15 aggregate amount not to exceed Forty Seven Million Dollars (\$47,000,000) and to evidence such
16 borrowing by issuing, selling and delivering its bonds, at any time or from time to time and in one or more
17 series, in an aggregate principal amount not to exceed Forty Seven Million Dollars (\$47,000,000) (the
18 "Bonds"), subject to the provisions and conditions of this Act.

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

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27 to the financing or refinancing of such projects), together with the costs of issuing the Bonds (which costs
28 may include the costs of bond insurance or other credit enhancement) (collectively, the “Projects”),
29 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 stormwater management facilities;
- 35 (5) Solid waste disposal 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
41 of an amendment to this Act. The use of the proceeds of the Bonds by the County to finance the costs of
42 the Projects is a proper public purpose which may be financed by the issuance of the Bonds pursuant to
43 the Bond Act.

44 Section 3. For the purpose of paying the principal of and interest on the Bonds as they become
45 due and payable, in each and every fiscal year that any of the Bonds are outstanding, the County shall
46 levy or cause to be levied ad valorem taxes upon all the legally assessable property within the corporate
47 limits of the County, in rate and amount sufficient to provide for the payment, when due, of the principal of
48 and interest on all of the Bonds becoming due in each such fiscal year and, if the proceeds from the taxes
49 so levied in any fiscal year prove inadequate for such payment, additional taxes shall be levied in the
50 succeeding fiscal year to make up any deficiency. In case the Bonds shall be issued in any fiscal year
51 after the making of the regular levy for that fiscal year, any and all interest becoming due before the next
52 levy shall be paid out of any other funds at the disposal of the County, and they shall be levied at the next
53 succeeding levy an amount sufficient to reimburse such other funds. The County may apply to the

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54 payment of the principal of and interest on any Bonds issued hereunder any funds received by it from the
55 State of Maryland, the United States of America, any agency or instrumentality of either, or from any other
56 source. Taxes that might otherwise be required to be levied under this Act may be reduced or need not be
57 levied to the extent 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 principal of and interest on the Bonds as and when such principal and
60 interest respectively become due and to the levy and collection of the taxes prescribed in this Section as
61 and 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
64 shall 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
72 deems to be in the best interest of the County), the form of the notice of sale, if the Bonds are to be sold at
73 public sale by competitive bid, the allocation of bond proceeds to one or more of the Projects, the award of
74 the 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
83 or any portion of the Bonds and any other bonds authorized by any other law as a single issue of bonds, at
84 any 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, or successor
87 provision, as in effect from 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
90 (the "Notes") in one or more series prior to and in anticipation of the issuance and sale of the Bonds. Prior
91 to the issuance, sale and delivery of any Notes, the County Executive shall execute and deliver an
92 executive order authorizing the Notes and specifying, prescribing, determining, providing for and
93 approving all matters, details, forms, documents and procedures necessary to effect the sale, security,
94 issuance, delivery and payment of and for the Notes. The County covenants that (a) it will pay the
95 principal of and interest on the Notes, to the extent not paid from the proceeds of the sale of the Notes,
96 from the proceeds of the Bonds, and (b) it will issue the Bonds when, and as soon as, the reason for
97 deferring their issuance no longer exists.

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

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

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108 This Act, being necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to
109 affect its purposes.

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

118 **AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
119 **MARYLAND,** that this 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 copy was made available on the Cecil County website.

BY Council Manager