

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION 2021-09**

BILL NO. 2021-07

Title of Bill: Bond Authorization – General Obligation Project Bonds

Synopsis: An Act authorizing and empowering Cecil County, Maryland, from time to time, to borrow not more than Thirty Nine Million Dollars (\$39,000,000) 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; authorizing the County to issue bonds for the purpose of refunding any bonds issued pursuant to this Act in one or more series pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland; 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: May 4, 2021

Public hearing scheduled on: June 1, 2021 at 7:00 p.m.

Consideration scheduled on: June 15, 2021

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.

Bond Authorization – General Obligation Project Bonds

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 Thirty
 7 Nine Million (\$39,000,000) for the purpose of financing certain public facilities in Cecil County and to
 8 effect such borrowing by the issuance and sale of its general obligation bonds in one or more series, all as
 9 more 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
 14 to borrow money and incur indebtedness for the public purposes described in Section 2 hereof, in an
 15 aggregate amount not to exceed Thirty Nine Million Dollars (\$39,000,000) 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 Thirty Nine Million Dollars (\$39,000,000) (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 sale
 20 of the Bonds) may be applied for the public purpose of financing, refinancing or reimbursing expenditures
 21 made for all or a portion of the costs of the acquisition, planning, design, construction, repair, renovation,
 22 reconstruction, alteration and equipping of any project included in the County’s approved Capital
 23 Improvement Program (which shall include engineering, architectural, fiscal and legal expenses related
 24 thereto, the acquisition of land and other interests in property, furnishings and equipment, related site
 25 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
 27 contribution to the financing or refinancing of such projects), together with the costs of issuing the Bonds
 28 (which costs may include the costs of bond insurance or other credit enhancement) (collectively, the
 29 “Projects”), including:

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

Bond Authorization – General Obligation Project Bonds

- 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 levy
 46 or cause to be levied ad valorem taxes upon all the legally assessable property within the corporate limits
 47 of the County, in rate and amount sufficient to provide for the payment, when due, of the principal of and
 48 interest on all of the Bonds becoming due in each such fiscal year and, if the proceeds from the taxes so
 49 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 after
 51 the making of the regular levy for that fiscal year, any and all interest becoming due before the next levy
 52 shall be paid out of any other funds at the disposal of the County and there shall be levied at the next
 53 succeeding levy an amount sufficient to reimburse such other funds. The County may apply to the
 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
 56 other source. Taxes that might otherwise be required to be levied under this Act may be reduced or need
 57 not be 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
 59 irrevocably pledged to the payment of the principal of and interest on the Bonds as and when such
 60 principal and interest respectively become due and to the levy and collection of the taxes prescribed

Bond Authorization – General Obligation Project Bonds

61 herein as and when such taxes may become necessary in order to provide sufficient funds to meet the
62 debt service 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
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
73 at public sale by competitive bid, the allocation of bond proceeds to one or more of the projects in
74 accordance with the County's approved Capital Improvements Program, the award of the Bonds to the
75 purchaser thereof, the price at which the Bonds shall be sold (which may be at, above or below par), and
76 any other details, terms or conditions relating to the issuance, sale, delivery and payment of the Bonds.
77 The Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile
78 signatures of the County Executive and the Director of Finance and the corporate seal of the County or a
79 facsimile thereof shall be imprinted or otherwise reproduced thereon and attested by the manual or
80 facsimile signature of 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

Bond Authorization – General Obligation Project Bonds

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. (a) Pursuant to Section 19-207 of the Local Government Article of the Annotated Code
102 of Maryland, as amended (the "Refunding Act"), the County is hereby authorized and empowered to
103 borrow money and incur indebtedness for the purpose of refunding all or a portion of the Bonds
104 authorized to be issued by this Act, in an aggregate principal amount not to exceed one hundred and
105 thirty percent (130%) of the aggregate principal amount of the Bonds to be refunded and to evidence
106 such borrowing by issuing, selling and delivering its bonds, at any time or from time to time and in one or
107 more series (the "Refunding Bonds"), subject to the provisions and conditions of this Act.

108 (b) For the purpose of paying the principal of and interest on the Refunding Bonds as they become
109 due and payable, in each and every fiscal year that any of the Refunding Bonds are outstanding, the
110 County shall levy or cause to be levied ad valorem taxes upon all the legally assessable property within the
111 corporate limits of the County, in rate and amount sufficient to provide for the payment, when due, of the
112 principal of and interest on all of the Refunding Bonds becoming due in each such fiscal year and, if the
113 proceeds from the taxes so levied in any fiscal year prove inadequate for such payment, additional taxes
114 shall be levied in the succeeding fiscal year to make up any deficiency. In case the Refunding Bonds shall
115 be issued in any fiscal year after the making of the regular levy for that fiscal year, any and all interest
116 becoming due before the next levy shall be paid out of any other funds at the disposal of the County and
117 there shall be levied at the next succeeding levy an amount sufficient to reimburse such other funds. The
118 County may apply to the payment of the principal of and interest on any Refunding Bonds issued
119 hereunder any funds received by it from the State of Maryland, the United States of America, any agency
120 or instrumentality of either, or from any other source. Taxes that might otherwise be required to be

Bond Authorization – General Obligation Project Bonds

121 levied under this Act may be reduced or need not be levied to the extent that any such funds are received
122 or receivable in any fiscal year.

123 (c) The full faith and credit and unlimited taxing power of the County are hereby irrevocably
124 pledged to the payment of the principal of and interest on the Refunding Bonds as and when such
125 principal and interest respectively become due and to the levy and collection of the taxes prescribed in
126 this Section as and when such taxes may become necessary in order to provide sufficient funds to meet
127 the debt service requirements of the Refunding Bonds.

128 (d) Prior to the issuance and sale of all or any part of the Refunding Bonds, the County Executive
129 shall execute and deliver an executive order (the "Executive Order") to fix, prescribe and determine, or
130 provide for the method of determining, the title, date of issue, and denomination(s) of the Refunding
131 Bonds, the aggregate principal amount of and maturity schedule for the Refunding Bonds, the form and
132 tenor thereof, the places of payment of the principal thereof and the interest to accrue thereon, any
133 registrar and/or paying agent for such bonds, the reserved right, if any, to redeem the Refunding Bonds
134 prior to maturity and the premium, if any, payable upon the exercise of said right, the rate or rates of
135 interest payable on the Refunding Bonds, or the method of determining the same, details relating to the
136 sale of the Refunding Bonds (which may be at private (negotiated) sale, or at public sale by competitive
137 bid, the Refunding Bonds to be sold in such manner and upon such terms as the County Executive deems
138 to be in the best interest of the County), the form of the notice of sale, if the Refunding Bonds are to be
139 sold at public sale by competitive bid, the award of the Refunding Bonds to the purchaser thereof, the
140 price at which the Refunding Bonds shall be sold (which may be at, above or below par), the application of
141 any premium paid to the County upon the sale of the Refunding Bonds, and any other details, terms or
142 conditions relating to the issuance, sale, delivery and payment of the Refunding Bonds. The Refunding
143 Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile signatures
144 of the County Executive and the Director of Finance and the corporate seal of the County or a facsimile
145 thereof shall be imprinted or otherwise reproduced thereon and attested by the manual or facsimile
146 signature of the Director of Administration of the County.

147 The County understands that the final determination of whether it will realize savings in the
148 aggregate cost of debt service for each series (and each maturity of each series) of the Bonds to be
149 refunded (or certain portions thereof) will depend on the actual interest rates available at the time the
150 Refunding Bonds of each series are sold and the other terms and conditions of the sale. Accordingly, the

Bond Authorization – General Obligation Project Bonds

151 description and details of the series and maturities of the Bonds to be refunded will be determined by the
152 County Executive in the Executive Order. Any series of the Bonds (or any maturity of such series or
153 portion thereof) not included in the Executive Order will not be refunded and will continue to remain
154 outstanding.

155 Any savings realized in the aggregate cost of debt service for the Bonds that are refunded shall be
156 reallocated to other County budget line items in accordance with the County's budget process under the
157 applicable provisions of the Charter and laws of the County.

158 (e) Under Section 19-101 of the Local Government Article of the Annotated Code of Maryland, the
159 County Council authorizes the County to consolidate for sale and issue, sell and deliver all or any portion
160 of the Refunding Bonds and any other bonds authorized by any other law as a single issue of bonds, at any
161 time and from time to time.

162 (f) The Refunding Bonds and their issuance and sale shall be exempt from the provisions of
163 Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, or
164 successor provision, as in effect from time to time.

165 (g) Nothing in this Act shall prevent the County from issuing and selling all or any part of the
166 Refunding Bonds as bonds the interest on which is not excludable from gross income for federal income
167 tax purposes.

168 Section 11. The authority to borrow money and to issue bonds conferred on the County by this
169 Act shall be deemed to provide additional, alternative and supplemental authority for borrowing money
170 and shall be regarded as supplemental and additional to powers conferred upon the County by other laws
171 and shall not be regarded as in derogation of any power now existing; and all previously enacted laws
172 authorizing the County to borrow money are hereby continued to the extent that the power contained in
173 them is continuing or has not been exercised, unless any law is expressly repealed by this Act, and the
174 validity of any bonds issued under previously enacted laws is hereby ratified, confirmed and approved.
175 This Act, being necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to
176 affect its purposes.

177 Section 12. The provisions of this Act are severable, and if any provision, sentence, clause, section
178 or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or
179 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair
180 any of the remaining provisions, sentences, clauses, sections, or parts of this Act or their application to

Bond Authorization – General Obligation Project Bonds

181 other persons or circumstances. It is hereby declared to be the legislative intent that this Act would have
182 been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not
183 been included herein, and if the person or circumstances to which this Act or any part hereof are
184 inapplicable had been specifically exempted therefrom.

185 **AND IT IS FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,** that this
186 Bill shall take effect 60 calendar days from the date that 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