

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION 2023-10**

BILL NO. 2023-08

Title of Bill: Bond Authorization – General Obligation Project Bonds

Synopsis: An Act authorizing and empowering Cecil County, Maryland (the “County”), to borrow from time to time not more than Fifty Seven Million Dollars (\$57,000,000) for the purpose of financing the costs of certain public facilities within the County described herein, and to effect such borrowing by the issuance and sale of its general obligation bonds in one or more series from time to time; 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, as amended, 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 19-223 of the Local Government Article of the Annotated Code of Maryland, as amended, 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 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 on behalf the County Executive

Introduced and order posted on: May 16, 2023

Public hearing scheduled on: June 6, 2023 at 7:00 pm

Consideration scheduled on: June 20, 2023

By: _____
Council Manager

PUBLIC HEARING

Notice of time and place of public hearing and title of Bill having been posted by May 16, 2023 at the County Administration Building, 200 Chesapeake Boulevard, Elkton, and having been published according to the Charter on May 24, 2023 and May 31, 2023, a public hearing was held on June 6, 2023 and concluded on June 6, 2023.

By: _____
Council Manager

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

WHEREAS, Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended, authorizes a charter county to provide for the borrowing of money on the faith and credit of the county and for the issuance of bonds or other evidences of indebtedness in accordance with local law; and

WHEREAS, Cecil County, Maryland (the “County”) wishes to provide for the borrowing of not more than Fifty Seven Million Dollars (\$57,000,000) for the purpose of financing certain public facilities located within the County and to effect such borrowing by the issuance and sale of its general obligation bonds from time to time in one or more series, all as more particularly described herein.

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

Section 1. Pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Bond Act”), the County is hereby authorized and empowered to borrow money and incur indebtedness for the public purposes described in Section 2 hereof, in an aggregate amount not to exceed Fifty Seven Million Dollars (\$57,000,000) and to evidence such borrowing by issuing, selling and delivering its bonds, at any time or from time to time and in one or more series, in an aggregate principal amount not to exceed Fifty Seven Million Dollars (\$57,000,000) (the “Bonds”), subject to the provisions and conditions of this Act.

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

- (1) Real property and interests therein, including development rights relating thereto;
- (2) Various public schools and facilities in the County;
- (3) Various facilities in the County to house the Cecil Community College;
- (4) General government facilities, including courthouses, libraries, parks, recreation facilities, emergency services and sheriff facilities;
- (5) Stormwater management facilities

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

- (6) Solid waste disposal facilities;
- (7) Wastewater facilities; and
- (8) Roads and bridges in the County.

The County Council of Cecil County (the “County Council”) may amend this Act to authorize use of the proceeds of the Bonds, including any excess proceeds after application for the purposes described in this section, to such other public purpose or purposes as the County Council may approve by enactment of an amendment to this Act. The use of the proceeds of the Bonds by the County to finance the costs of the Projects is a proper public purpose which may be financed by the issuance of the Bonds pursuant to the Bond Act. The County Council is authorized to make changes to such Projects and to reallocate the proceeds of the Bonds among the Projects in a manner as the County Council determines to be in the best interest of the County.

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

Section 4. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as and when such principal and interest respectively become due and to the levy and collection of the taxes prescribed herein as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds.

Section 5. Prior to the issuance and sale of all or any part of the Bonds, the County Executive shall execute and deliver an executive order (the “Executive Order”) to fix, prescribe and determine, or provide for the method of determining, the title, date of issue, and denomination(s) of the Bonds, the aggregate principal amount of and maturity schedule for the Bonds, the form and tenor thereof, the places of payment of the principal thereof and the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if any, to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of said right, the rate or rates of interest payable on the Bonds, or the method of determining the same,

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

details relating to the sale of the Bonds (which may be at private (negotiated) sale, or at public sale by competitive bid, the Bonds to be sold in such manner and upon such terms as the County Executive 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 public sale by competitive bid, the allocation of bond proceeds to one or more of the Projects in accordance with the County's approved Capital Improvements Program, the award of the Bonds to the purchaser thereof, the price at which the Bonds shall be sold (which may be at, above or below par), and any other details, terms or conditions relating to the issuance, sale, delivery and payment of the Bonds. The Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile signatures of the County Executive and the Director of Finance and the corporate seal of the County or a facsimile thereof shall be imprinted or otherwise reproduced thereon and attested by the manual or facsimile signature of the Director of Administration of the County.

In the event that the net proceeds of a sale of Bonds shall exceed the amounts necessary to finance, refinance or reimburse the costs of the Public Facilities specified in the Executive Order, the County Executive may supplement or amend the Executive Order to authorize the use of such excess proceeds of the Bonds to finance, refinance or reimburse the costs of such other Projects as the County Executive may determine.

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

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

Section 8. Pursuant to Sections 19-211 through 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended, and this Act, the County may issue and sell bond anticipation notes (the "Notes") in one or more series prior to and in anticipation of the issuance and sale of the Bonds. Prior to the issuance, sale and delivery of any Notes, the County Executive shall execute and deliver an executive order authorizing the Notes and specifying, prescribing, determining, providing for and approving all matters, details, forms, documents and procedures necessary to effect the sale, security, issuance, delivery and payment of and for the Notes. The County covenants that (a) it will pay the principal of and interest on the Notes, to the extent not paid from the proceeds of the sale of the Notes, from the proceeds of the Bonds, and (b) it will issue the Bonds when, and as soon as, the reason for deferring their issuance no longer exists.

Section 9. Nothing in this Act shall prevent the County from issuing and selling all or any part of the Bonds as bonds the interest on which is excludable from gross income for federal income tax purposes.

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

Section 10. (a) Pursuant to Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Refunding Act”), the County is hereby authorized and empowered to borrow money and incur indebtedness for the purpose of refunding all or a portion of the Bonds authorized to be issued by this Act, in an aggregate principal amount not to exceed one hundred and thirty percent (130%) of the aggregate principal amount of the Bonds to be refunded and to evidence such borrowing by issuing, selling and delivering its bonds, at any time or from time to time and in one or more series (the “Refunding Bonds”), subject to the provisions and conditions of this Act.

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

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

(d) Prior to the issuance and sale of all or any part of the Refunding Bonds, the County Executive shall execute and deliver an executive order to fix, prescribe and determine, or provide for the method of determining, the title, date of issue, and denomination(s) of the Refunding Bonds, the aggregate principal amount of and maturity schedule for the Refunding Bonds, the form and tenor thereof, the places of payment of the principal thereof and the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if any, to redeem the Refunding Bonds prior to maturity and the premium, if any, payable upon the exercise of said right, the rate or rates of interest payable on the Refunding Bonds, or the method of determining the same, details relating to the sale of the Refunding Bonds (which may be at private (negotiated) sale, or at public sale by competitive bid, the Refunding Bonds to be sold in such manner and upon such terms as the County Executive deems to be in the best interest of the County), the form of the notice of sale, if the Refunding Bonds are to be sold at public sale by competitive bid, the award of the Refunding Bonds to the purchaser thereof, the price at which the Refunding Bonds shall be sold (which may be at, above or below par), the application of any

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

premium paid to the County upon the sale of the Refunding Bonds, and any other details, terms or conditions relating to the issuance, sale, delivery and payment of the Refunding Bonds. The Refunding Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile signatures of the County Executive and the Director of Finance and the corporate seal of the County or a facsimile thereof shall be imprinted or otherwise reproduced thereon and attested by the manual or facsimile signature of the Director of Administration of the County.

The County understands that the final determination of whether it will realize savings in the aggregate cost of debt service for each series (and each maturity of each series) of the Bonds to be refunded (or certain portions thereof) will depend on the actual interest rates available at the time the Refunding Bonds of each series are sold and the other terms and conditions of the sale. Accordingly, the description and details of the series and maturities of the Bonds to be refunded will be determined by the County Executive in the executive order. Any series of the Bonds (or any maturity of such series or portion thereof) not included in the executive order will not be refunded and will continue to remain outstanding.

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

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

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

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

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

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

Bill No. 2023-08
Bond Authorization – General Obligation Project Bonds

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

AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY, 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

BILL NO.: 2023-08

Title of Bill: Bond Authorization – General Obligation Project Bonds

CERTIFIED TRUE AND CORRECT

ENROLLED

Council Manager

Council President

Date: _____

Date: _____

BY THE COUNCIL

Read the third time.

Passed - _____

Failed of Passage - _____

BY: _____
Council Manager

SEALED WITH THE COUNTY SEAL AND PRESENTED TO THE COUNTY EXECUTIVE for approval this

____ day of _____, 2023 at _____ am/pm.
(within 10 business days from adoption per § 306)

BY: _____
Council Manager

BY THE EXECUTIVE:

Cecil County Executive

APPROVED Date: _____

VETOED Date: _____
(within 10 business days from presentation per § 306)

BY THE COUNCIL

Bill No. 2023-08 having been approved by the Executive and returned to the Council becomes law

on _____ with an effective date of _____.
(within 60 calendar days after enactment unless otherwise specified per § 307)

BY: _____
Council Manager