

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2015-19**

BILL NO. 2015-25

Title of Bill: Bond Authorization - General Obligation Bonds - Public Facilities

Synopsis: An Act authorizing and empowering Cecil County, Maryland, from time to time, to borrow not more than Thirty Seven Million One Hundred Eighty Thousand Dollars (\$37,180,000) 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 (2013 Replacement Volume), 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, inclusive, of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), 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 and ordered posted on: October 6, 2015

Public hearing scheduled on: November 3, 2015 at: 7:00 p.m.

Consideration scheduled on: November 17, 2015

PUBLIC HEARING

Notice of time and place of public hearing and title of Bill having 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 LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates language added to a Bill by amendment.
~~Strike through~~ indicates language stricken out of a Bill by amendment.

1 **WHEREAS**, Section 10-203 of the Local Government Article of the Annotated Code of Maryland
2 (2013 Replacement Volume) authorizes a charter county to provide for the borrowing of moneys on the
3 faith and credit of the county and for the issuance of bonds or other evidences of indebtedness therefore in
4 such sums, for such purposes, on such terms and payable at such times, and from such taxes or other
5 sources as may have been or may 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 \$37,180,000 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 in 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, State of Maryland
11 as follows:

12 Section 1. Pursuant to Section 10-203 of the Local Government Article of the Annotated Code of
13 Maryland (2013 Replacement Volume) (the “Bond Act”), Cecil County, Maryland (the “County”) is hereby
14 authorized and empowered to borrow money and incur indebtedness for the public purposes described in
15 section (b) hereof, in an amount not to exceed, in the aggregate, Thirty Seven Million One Hundred Eighty
16 Thousand Dollars (\$37,180,000) and to evidence such borrowing by issuing, selling and delivering its bonds,
17 at any time or from time to time and in one or more series, in an aggregate principal amount not to exceed,
18 in the aggregate, Thirty Seven Million One Hundred Eighty Thousand Dollars (\$37,180,000) (the “Bonds”),
19 subject to the provisions and 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, as the same may be amended from time to time (which shall include engineering,
25 architectural, fiscal and legal expenses related thereto, the acquisition of land and other interests in
26 property, furnishings and equipment, related site and utility improvements, and capitalized interest during
27 construction and for a reasonable period thereafter, whether or not specifically stated, and which may
28 represent the County’s share or contribution to the financing or refinancing of such projects), together with

29 the costs of issuing the Bonds (which costs may include the costs of bond insurance or other credit
30 enhancement) (collectively, the "Projects"), including:

- 31 (1) Real property and interests therein, including development rights relating thereto;
- 32 (2) Various public schools and facilities in the County;
- 33 (3) Various facilities in the County to house the Cecil Community College;
- 34 (4) General government facilities, including courthouses, libraries, parks, recreation facilities,
35 emergency services and sheriff facilities and solid waste disposal facilities;
- 36 (5) Stormwater management facilities; and
- 37 (6) 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 paying the principal of 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
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 allocation of bond proceeds to one or more of the Projects,
73 the award of the Bonds to the purchaser thereof, the price at which the Bonds shall be sold (which may be
74 at, above or below par), the application of any premium paid to the County upon the sale of the Bonds, and
75 any other details, terms or conditions relating to the issuance, sale, delivery and payment of the Bonds.
76 The Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile
77 signatures of the County Executive and the Director of Finance and the corporate seal of the County or a
78 facsimile thereof, shall be imprinted or otherwise reproduced thereon, and attested by the manual or
79 facsimile signature of the Director of Administration of the County.

80 Section 6. Under Section 19-101 of the Local Government Article of the Annotated Code of
81 Maryland (2013 Replacement Volume), the County Council authorizes the County to consolidate for sale
82 and issue, sell and deliver all or any portion of the Bonds and any other bonds authorized by any other law
83 as a single issue of bonds, at any time and from time to time.

84 Section 7. The Bonds and their issuance and sale shall be exempt from the provisions of Sections
85 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement
86 Volume), as in effect from time to time.

87 Section 8. Pursuant to Sections 19-211 through 19-221, inclusive, of the Local Government Article
88 of the Annotated Code of Maryland (2013 Replacement Volume) and this Act, the County may issue and
89 sell bond anticipation notes (the "Notes") in one or more series prior to and in anticipation of the issuance
90 and sale of the Bonds. Prior to the issuance, sale and delivery of any Notes, the County Executive shall
91 execute and deliver an executive order authorizing the Notes and specifying, prescribing, determining,
92 providing for and approving all matters, details, forms, documents and procedures necessary to effect the
93 sale, security, issuance, delivery and payment of and for the Notes. The County covenants that (a) it will
94 pay the principal of and interest on the Notes, to the extent not paid from the proceeds of the sale of the
95 Notes, from the proceeds of the Bonds, and (b) it will issue the Bonds when, and as soon as, the reason for
96 deferring their issuance no longer exists.

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

99 Section 10. The County designates the County Executive as the person to declare the official intent
100 of the County in those instances in which expenditures are to be made for Projects with the expectation
101 that such expenditures are to be reimbursed from the proceeds of tax-exempt bonds. In exercising the
102 authority granted by the foregoing designation, the County Executive is further authorized to take any and
103 all such action as may be required or appropriate to assure compliance by the County with applicable
104 provisions of the Internal Revenue Code and Section 1.150-2 of the Income Tax Regulations. The
105 designation made herein may be delegated in writing by the County Executive to one or more designees.

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

115 Section 12. The provisions of this Act are severable, and if any provision, sentence, clause, section
116 or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or
117 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair
118 any of the remaining provisions, sentences, clauses, sections, or parts of this Act or their application to
119 other persons or circumstances. It is hereby declared to be the legislative intent that this Act would have
120 been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not
121 been included herein, and if the person or circumstances to which this Act or any part hereof are
122 inapplicable had been specifically exempted there from.

123 Section 13. **AND BE IT FURTHER ENACTED** that this Act shall take effect 60 calendar days from the
124 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