

SENATE BILL 737

L2

7lr1900
CF HB 1055

By: **Senator Waugh**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2017

CHAPTER _____

1 AN ACT concerning

2 **St. Mary's County – Bonds and Other Evidences of Indebtedness**
3 **– Limitations and Repayment**

4 FOR the purpose of altering certain limits on debt in St. Mary's County to reflect the
5 changes in the computation of assessments as a result of the transition to full value
6 assessments; subjecting certain bonds and other evidences of indebtedness issued
7 under the authority of the St. Mary's County Sanitary Commission Act to a certain
8 limitation and requiring the responsibility for repayment to remain with the St.
9 Mary's County Metropolitan Commission; and generally relating to limitations on
10 and repayment of debt issued under the approval of the County Commissioners of
11 St. Mary's County.

12 BY repealing and reenacting, with amendments,
13 The Public Local Laws of St. Mary's County
14 Section 27–11
15 Article 19 – Public Local Laws of Maryland
16 (2007 Edition and October 2014 Supplement, as amended)

17 BY repealing and reenacting, with amendments,
18 The Public Local Laws of St. Mary's County
19 Section 113–6
20 Article 19 – Public Local Laws of Maryland
21 (2007 Edition and October 2014 Supplement, as amended)
22 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article 19 – St. Mary’s County

27–11.

A. Unless and until otherwise provided by ordinance of the County Commissioners within the limitations provided by public general law, the aggregate amount of bonds and other evidences of indebtedness outstanding at any ONE time may not exceed [five (5) percent upon the assessable basis of the county] **A TOTAL OF THE SUM OF ONE AND EIGHT–TENTHS (1.8) PERCENT UPON THE ASSESSABLE REAL PROPERTY IN THE COUNTY OTHER THAN THE OPERATING REAL PROPERTY OF A PUBLIC UTILITY AND FIVE (5) PERCENT UPON THE ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY OF A PUBLIC UTILITY.** However, tax anticipation notes or other evidences of indebtedness having a maturity not in excess of twelve (12) months, bonds or other evidences of indebtedness issued or guaranteed by the county, payable primarily or exclusively from taxes levied in or on or other revenues of special taxing areas or districts heretofore or hereafter established by law, [and] bonds or other evidences of indebtedness issued for self–liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services, and agreements or other evidences of indebtedness executed or guaranteed by the county, payable primarily or exclusively from investment instruments purchased by the county, that are guaranteed to yield proceeds equal to or exceeding the amount of the county’s indebtedness, are not subject to or to be included as bonds or evidences of indebtedness in computing or applying the percent limitations above provided.

B. All bonds or other evidences of indebtedness issued under the authority of the Sanitary Commission Act shall be [construed as exempt, under Subsection A above, from] **SUBJECT TO the percent limitation SET FORTH in SUBSECTION A OF this section [provided but shall continue as heretofore to be subject to the percent limitation as from time to time provided in said Act]. RESPONSIBILITY FOR REPAYMENT SHALL REMAIN WITH THE ST. MARY’S COUNTY METROPOLITAN COMMISSION.**

C. All bonds or other evidences of indebtedness issued by the County Commissioners for the benefit of St. Mary’s Hospital of St. Mary’s County may not be included as bonds or other evidences of indebtedness in computing or applying the percent limitation provided in Subsection A of this section.

113–6.

A. For the purpose of providing funds for the design, construction, establishment, purchase or condemnation of water supply and sewerage systems in any of the sanitary districts, the Commission, upon the approval of the County Commissioners of St. Mary’s County **AND IN ACCORDANCE WITH § 27–11 OF THE ST. MARY’S COUNTY CODE**, is authorized and empowered to issue bonds, from time to time, upon the full faith and credit

1 of St. Mary's County, in such amounts as it may deem to be necessary to carry on its work,
2 but at no time shall the total issue of bonds for all purposes under this chapter exceed
3 twenty-five (25) percent of the total value of the property assessed for County taxation
4 purposes within all of the sanitary districts in which public water or sewer facilities are
5 located. Subject to the conditions contained herein, the form, tenor, manner of selling and
6 all other matters relating to the issuance of bonds under this chapter shall be prescribed in
7 a resolution to be adopted by the St. Mary's County Metropolitan Commission prior to sale
8 of the bonds. **[The] EXCEPT AS PROVIDED IN § 27-11 OF THE ST. MARY'S COUNTY**
9 **CODE, THE** issuance of such bonds may not be subject to any limitations or conditions
10 contained in any other law, and the Commission may sell such bonds in such manner, either
11 at public or private sale, and for such price, as it may determine to be for the best interests
12 of the Commission and the County Commissioners of St. Mary's County. The bonds shall
13 be serial bonds issued upon the serial maturing plan and in such denominations as shall
14 be determined by the Commission. The bonds may be redeemable before maturity at the
15 option of the Commission at such price and under such terms and conditions as may be
16 fixed by the Commission prior to the issuance of the bonds, shall bear interest at such rate
17 or rates payable semiannually, as shall be determined by a resolution of the St. Mary's
18 County Metropolitan Commission adopted prior to the delivery of the bonds, and shall
19 mature in not more than forty (40) years after date of issue and shall be forever exempt
20 from State, City and County taxation as hereinafter provided. They shall be issued under
21 the signature and seal of the Commission and shall be unconditionally guaranteed as to
22 payment of both principal and interest by the County Commissioners of St. Mary's County,
23 a political subdivision of the State of Maryland, which guaranty shall be endorsed on each
24 of the bonds in the following language: "The payment of interest when due and the principal
25 at maturity is guaranteed by the County Commissioners of St. Mary's County, Maryland."
26 Such endorsement shall be signed on each of the bonds by the President and by the Clerk
27 of the Board of County Commissioners of the County, or another person lawfully assigned
28 to the functions of the Clerk, within ten (10) days after the bonds are presented by the
29 Commission to them for endorsement.

30 B. The principal amount of bonds issued hereunder, the interest payable thereon,
31 their transfer and any income derived therefrom, including any profit made in the sale or
32 transfer thereof, shall be and remain exempt from taxation by the State of Maryland and
33 by the several counties and municipal corporations of this State.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2017.