

BILL NO. 97-03

A BILL ENTITLED

QUEEN ANNE'S COUNTY PUBLIC IMPROVEMENTS BOND AUTHORIZATION

A PUBLIC LOCAL LAW to authorize and empower the County Commissioners of Queen Anne's County to borrow not more than Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000) for the public purpose of financing or refinancing a portion of the cost of certain public improvements described herein, and to evidence such borrowing by the issuance and sale at public or private sale, upon its full faith and credit, of its general obligation bonds in like par amount; empowering and directing the County to adopt a resolution in accordance with Section 15(4) of Article 25B of the Annotated Code of Maryland (1996 Replacement Volume) prior to issuing the bonds; 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 and pledging the County's full faith and credit and unlimited taxing power; exempting the bonds from the provisions of Section 9 to 11, inclusive, of Article 31 of the Annotated Code of Maryland (1993 Replacement Volume and 1996 Supplement); authorizing and empowering the County to borrow not more than Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000) in anticipation of the issuance and sale of its bonds, and to evidence such borrowing by the issuance and sale of its bond anticipation notes in like par amount; and relating generally to the issuance and sale of such bonds and notes.

BE IT ENACTED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND:

Section 1. County Commissioners of Queen Anne's County (the "County") is hereby authorized and empowered to borrow money and incur indebtedness for the public purpose described in Section 2 hereof, in an aggregate principal amount not exceeding Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000), and to evidence such borrowing by the issuance and sale, at public or private sale, upon its full faith and credit, of its general obligation bonds in like par amount, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

Section 2. The proceeds of the bonds authorized to be issued hereunder shall be expended for the public purpose of financing or refinancing all or a portion of the costs of one or more of the following public projects and improvements (which shall include design, engineering, planning, fiscal and legal expenses related thereto 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 any related architectural, financial, fiscal, legal, design, planning and engineering expenses:

- (a) a new high school on Kent Island;
- (b) renovation and addition to the Church Hill Elementary School; and
- (c) acquisition of park, recreation, and general County facilities, including (without limitation) land for expansion of the County golf course and acquisition of land and buildings in the Kent Narrows area for County purposes.

Section 3. Prior to issuing all or any part of the bonds authorized to be issued hereunder, the Board of County Commissioners of the County shall adopt a resolution containing all of the provisions required under Section 15(4) of Article 25B of the Annotated Code of Maryland (1996 Replacement Volume). The resolution may also contain such other provisions as the Board of County Commissioners may deem appropriate. The resolution may be adopted by the Board of County Commissioners at any time after the enactment of this public local law and the appropriate officers of the County may take any action deemed appropriate to effect the timely issuance and sale of the bonds pursuant to the resolution at any time after the enactment of this public local law, provided only that the resolution may not become finally effective until the effective date of this public local law. The bonds may be sold on any date after the effective date of this public local law.

Section 4. The enactment of this public local law constitutes a covenant with the owner of any bond issued hereunder that the County will not make any use of the proceeds of the bonds that would cause any bond to be an "arbitrage bond" within the meaning of Section 148 of

the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, and that the County will comply with the requirements of such section and regulations as the same may be amended from time to time as long as any of the bonds remain outstanding and unpaid.

Section 5. For the purpose of satisfying the debt service requirements on the bonds, the County shall levy for each and every fiscal year during which any of the bonds may be outstanding, ad valorem taxes upon all real and tangible personal property within its boundaries subject to assessment for unlimited County taxation, in rate and amount sufficient to provide for the prompt payment of the principal of and the interest on the bonds maturing in each fiscal year; and, in the event the proceeds from the collection of the taxes so levied in any such fiscal year may prove inadequate for such purpose, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.

The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the prompt payment of the maturing principal of and interest on the bonds as and when the same respectively mature, and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the bonds. The County hereby covenants with each holder of any of the bonds to take any action that may be appropriate from time to time during the period that any of the bonds remain outstanding and unpaid to provide the funds necessary to make the principal and interest payments due thereon and further covenants and agrees to levy and collect the taxes hereinabove described.

Section 6. The bonds authorized to be issued hereunder are hereby specifically exempted from the provisions of Section 9 to 11, inclusive, of Article 31 of the Annotated Code of Maryland (1993 Replacement Volume and 1996 Supplement).

Section 7. 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 principal amount not exceeding Twenty-One Million Five Hundred Thousand Dollars

(\$21,500,000), and to evidence such borrowing by the issuance of its bond anticipation notes in like par amount.

Section 8. The proceeds of any bond anticipation notes authorized to be issued hereunder shall be expended in anticipation of the issuance and sale of the above-referenced bonds for the public purpose of financing or refinancing a portion of the costs of the projects set in Section 2 hereof, together with any related construction, architectural, financial, fiscal, legal, design, planning and engineering expenses.

Section 9. Prior to issuing any bond anticipation notes authorized to be issued hereunder, the Board of County Commissioners of the County shall adopt a resolution containing all of the provisions required under Section 15(4) of Article 25B of the Annotated Code of Maryland (1996 Replacement Volume). The resolution may also contain such other provisions as the Board of County Commissioners may deem appropriate. The resolution may be adopted by the Board of County Commissioners at any time after the enactment of this public local law and the appropriate officers of the County may take any action deemed appropriate to effect the timely issuance and sale of the bond anticipation notes pursuant to the resolution at any time after the enactment of this public local law, provided only that the resolution may not become finally effective until the effective date of this public local law. The bond anticipation notes may be sold on any date after the effective date of this public local law.

Section 10. The principal of and interest on any bond anticipation notes shall be payable out of the first proceeds of the sale of the County's general obligation bonds. The County covenants to pay the principal of the notes and interest thereon not paid from the proceeds of the sale of the bonds and to issue the bonds when, and as soon as, the reason for deferring issuance of the bonds no longer exists.

Section 11. Any bond anticipation notes authorized to be issued hereunder are hereby specifically exempted from the provisions of Section 9 to 11, inclusive, of Article 31 of the Annotated Code of Maryland (1993 Replacement Volume and 1996 Supplement).

Section 12. This public local law shall take effect forty-five days after it is enacted.

ENACTED THIS ____ DAY OF _____, 1997.

[SEAL]

COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND

George M. O'Donnell, President

ATTEST:

Michael F. Zimmer, Jr., Member

Ted Moeller, Vice President

Introduced By: Commissioner Zimmer

Date: January 21, 1997

Public Hearing Date: February 18, 1997

Vote 3 For 0 Against

Date: February 18, 1997

Effective Date: April 4, 1997