

BILL NO. 98-18
A BILL ENTITLED
"PUBLIC FACILITIES AND REFUNDING
BOND AUTHORIZATION OF 1999"

A PUBLIC LOCAL LAW TO AUTHORIZE AND EMPOWER THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, FROM TIME TO TIME, TO BORROW NOT MORE THAN TWENTY-FIVE MILLION DOLLARS (\$25,000,000) FOR THE PUBLIC PURPOSE OF FINANCING CERTAIN PUBLIC FACILITIES AND REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE COUNTY, ALL AS MORE PARTICULARLY DESCRIBED HEREIN, AND TO EVIDENCE SUCH BORROWING BY THE ISSUANCE AND SALE AT PUBLIC OR PRIVATE SALE, UPON ITS FULL FAITH AND CREDIT, OF ONE OR MORE SERIES 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 (1998 REPLACEMENT VOLUME AND 1998 SUPPLEMENT) PRIOR TO ISSUING ALL OR ANY PART OF 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 SECTIONS 9 TO 11, INCLUSIVE, OF ARTICLE 31 OF THE ANNOTATED CODE OF MARYLAND (1997 REPLACEMENT VOLUME AND 1998 SUPPLEMENT); AND RELATING GENERALLY TO THE ISSUANCE AND SALE OF SUCH BONDS.

RECITALS

Pursuant to the authority granted by Sections 14 to 21, inclusive, of Article 25B of the Annotated Code of Maryland (the "Enabling Act") and in accordance with a public local law (Bill No. 92-05) enacted by the Board on March 17, 1992 and a resolution adopted by the Board on April 21, 1992, the County has heretofore issued its Queen Anne's County Public Facilities and Refunding Bonds of 1992, dated May 1, 1992 (the "1992 Bonds") and pursuant to the authority granted by the Enabling Act and in accordance with a public local law (Bill No. 94-05) enacted by the Board on March 1, 1994 and a resolution adopted by the Board on April 26, 1994, the County has heretofore issued its Queen Anne's County Public Facilities Bonds of 1994, dated May 1, 1994 (the "1994 Bonds").

The Enabling Act authorizes the County to issue bonds for any proper public purpose. In addition, Section 24 of Article 31 of the Annotated Code of Maryland (1998 Replacement Volume and 1998 Supplement) authorizes the County to issue refunding bonds for the purpose, among others, of realizing savings to the County in the aggregate cost of debt service on either a direct comparison or present value basis.

The Board has determined that the County may be able to realize savings in its aggregate cost of debt service through the issuance and sale of a series of its general obligation refunding bonds, the net proceeds of sale thereof to be applied, as specified in a resolution of the Board adopted pursuant hereto, to the refunding of (i) all or a portion of the callable maturities of the 1992 Bonds, or (ii) all or a portion of the callable maturities of the 1994 Bonds, or (iii) all or portions of the callable maturities of both the 1992 Bonds and the 1994 Bonds. In addition, the Board has determined to authorize the issuance of general obligation bonds of the County for the public purpose of financing the public facilities described in Section 2(b) of this public local law.

NOW, THEREFORE, BE IT ENACTED BY COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY:

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 purposes described in Section 2 hereof, at one time or from time to time, in an aggregate principal amount not exceeding TWENTY FIVE MILLION DOLLARS (\$25,000,000), 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 net proceeds from the sale of the bonds authorized to be issued hereunder shall be used and applied for the following public purposes:

(a) purchasing, or depositing with an escrow deposit agent to purchase, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times as will be sufficient without reinvestment to effect the refunding of all or a portion of the callable maturities of the 1992 Bonds (i.e., the 1992 Bonds stated to mature on and after May 1, 2003) or all or a portion of the callable maturities of the 1994 Bonds (i.e., the 1994 Bonds stated to mature on and after November 1, 2005), or some combination of all or portions of the callable maturities of both the 1992 Bonds and the 1994 Bonds, as the Board by a resolution adopted pursuant hereto may determine and specify; and

(b) financing or refinancing, in whole or in part, the following projects (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:

(i) construction, furnishing, and equipping of renovations to the Sudlersville Elementary School;

(ii) acquisition of a radio and dispatch system;

(iii) construction, furnishing, and equipping of a new emergency operations center including the acquisition of land and property rights and planning (including architectural and site design services);

(iv) construction, furnishing, and equipping of renovations to the Kennard Elementary School;

(v) construction, furnishing, and equipping of renovations to the Queen Anne's County High School;

(vi) acquisition of Conquest Farm park land; and

(vi) construction, furnishing, and equipping of airport hangars.

Section 3. Prior to issuing all or any part of the bonds authorized to be issued hereunder, the Board of County Commissioners of Queen Anne's County shall adopt a resolution containing all of the provisions required under Section 15(4) of Article 25B of the Annotated Code of Maryland (1998 Replacement Volume and 1998 Supplement). 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 or dates after the effective date of this public local law.

Section 4. 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

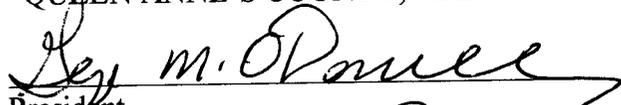
may prove inadequate for such purpose, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.

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 5. The bonds authorized to be issued hereunder are hereby specifically exempted from the provisions of Sections 9 to 11, inclusive, of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 1998 Supplement).

Section 6. This public local law shall take effect forty-five days after it is enacted.

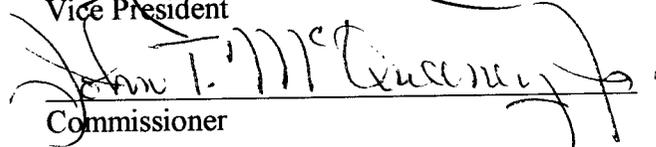
COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND



President



Vice President



Commissioner

Enacted on _____, 199_

Hearing 1-12-99 10:45 AM
Adopted 1-19-99
Effective Date 3-5-99