

HOUSE BILL 809

L3

(5lr1982)

ENROLLED BILL

— *Environment and Transportation/Education, Health, and Environmental Affairs* —

Introduced by **Delegate McMillan**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Municipalities – Parking Authorities**

3 FOR the purpose of authorizing a municipality that is organized under Article XI–E of the
4 Maryland Constitution to create a parking authority as a body politic and corporate
5 as provided under the Parking Authorities Act; requiring that a municipality pass a
6 local law to establish the charter for the authority and to file the charter with certain
7 units of State government; authorizing a municipality to amend the authority’s
8 charter and change the structure or activity of or terminate the authority under
9 certain circumstances; requiring a municipality to establish by local law certain
10 requirements for members of an authority and certain budgetary and financial
11 procedures of the authority; authorizing a municipality to authorize an authority to
12 take certain actions; requiring a municipality to determine certain matters by local
13 law in connection with the authorization, issuance, sale, delivery, and payment of
14 certain revenue bonds as authorized under the Parking Authorities Act; authorizing
15 a municipality to guarantee certain revenue bonds; prohibiting a municipality from

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.

Italics indicate opposite chamber/conference committee amendments.



1 granting an authority independent tax authority; exempting certain revenue bonds
2 and related matters from any referendum requirements under a municipal charter
3 or local law; and generally relating to authorization for a municipality to creating a
4 parking authority under the Parking Authorities Act.

5 BY repealing and reenacting, without amendments,

6 Article – Local Government

7 Section 1–101(a) and (g), 18–101, 18–110, 18–111, 18–113 through 18–115, and
8 18–119 through 18–121

9 Annotated Code of Maryland

10 (2013 Volume and 2014 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article – Local Government

13 Section 18–103 through 18–109, 18–112, and 18–116 through 18–118

14 Annotated Code of Maryland

15 (2013 Volume and 2014 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Local Government**

19 1–101.

20 (a) In this article the following words have the meanings indicated.

21 (g) “Municipality” means a municipality that is organized under Article XI–E of
22 the Maryland Constitution.

23 18–101.

24 (a) In this subtitle the following words have the meanings indicated.

25 (b) “Authority” means a parking authority established under this subtitle.

26 (c) “Bond” means a revenue bond issued by an authority under this subtitle.

27 (d) “Property” includes any interest in real or personal property.

28 18–103.

29 This subtitle applies only to Baltimore City, Montgomery County, [and] Prince
30 George’s County, AND EACH MUNICIPALITY.

31 18–104.

1 A county **OR MUNICIPALITY** may create a body politic and corporate known as the
2 “Parking Authority of (insert name of county **OR MUNICIPALITY**)”.

3 18–105.

4 To create an authority, a county **OR MUNICIPALITY** shall:

5 (1) pass a local law that establishes the charter for the authority; and

6 (2) file the charter with the Department of Assessments and Taxation, the
7 Department of Legislative Services, and the Secretary of State.

8 18–106.

9 A county **OR MUNICIPALITY** may:

10 (1) amend the authority’s charter through local law if the amendment is
11 filed with the Department of Assessments and Taxation, the Department of Legislative
12 Services, and the Secretary of State; or

13 (2) change the structure or activity of or terminate the authority, unless
14 the change or termination would impair an obligation of the authority under a pre-existing
15 contract.

16 18–107.

17 (a) An authority consists of five members.

18 (b) By local law, a county **OR MUNICIPALITY** shall establish residency
19 requirements, means of appointment, qualifications, and terms of office for a member.

20 (c) Officers and employees of an authority shall be appointed as provided by local
21 law.

22 18–108.

23 (a) An authority has the powers granted to it by local law, consistent with this
24 subtitle, to allow it to carry out this subtitle.

25 (b) An authority may:

26 (1) use a common seal;

27 (2) sue and be sued; and

28 (3) perform corporate acts necessary to carry out this subtitle.

1 (c) By local law, a county **OR MUNICIPALITY** shall establish the budgetary and
2 financial procedures of an authority.

3 (d) (1) An authority may adopt, in the manner provided by local law, rules and
4 regulations for the operation and use of property and facilities under its jurisdiction.

5 (2) A person who violates a rule or regulation adopted by an authority is
6 guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 180
7 days or a fine not exceeding \$1,000 or both.

8 18-109.

9 A county **OR MUNICIPALITY** may authorize an authority to:

10 (1) acquire by purchase, lease, or other legal means, but not by eminent
11 domain, property of any kind in the county **OR MUNICIPALITY**;

12 (2) establish, construct, alter, improve, equip, repair, maintain, operate,
13 and regulate a facility for parking vehicles that is on, under, or in any property owned by
14 the county, **MUNICIPALITY**, or the authority; and

15 (3) establish and collect fees for the use of the property.

16 18-110.

17 Property owned or controlled by an authority is exempt from all taxation by the
18 State, a political subdivision, or any other public unit.

19 18-111.

20 The net earnings of an authority, other than those necessary to pay debt services or
21 implement the public purposes of this subtitle, may not be used for the benefit of a person.

22 18-112.

23 On termination of an authority, all property, obligations, and assets of the authority
24 become the property, obligations, and assets of the county **OR MUNICIPALITY**.

25 18-113.

26 An act of an authority may not be challenged on the basis of the absence of
27 qualifications of a member of the authority if the member has:

28 (1) been appointed by the appropriate entity designated by local law; and

1 (2) taken the oath of office.

2 18–114.

3 (a) To carry out the purposes of this subtitle, an authority may issue revenue
4 bonds to finance the cost of:

5 (1) acquiring property; or

6 (2) establishing, constructing, altering, improving, or equipping a facility.

7 (b) Each bond issue shall be authorized by a resolution approved by a vote of at
8 least four members of the authority.

9 (c) An authority shall determine that a bond issue is necessary to achieve one or
10 more of the authority's purposes before issuing bonds under this section.

11 (d) The resolution authorizing the bond issue shall include:

12 (1) the determination that a bond issue is necessary;

13 (2) a statement that the authority will acquire the vehicle parking facility
14 or related project in accordance with this subtitle and local law;

15 (3) a determination of the probable useful life of the project or average
16 probable useful life of the projects to be financed;

17 (4) an estimate of the cost of the project to be financed and the portion to
18 be defrayed from any sources that shall be specifically named, other than the proposed bond
19 issue;

20 (5) the procedure for the sale of the proposed bond issue;

21 (6) a description sufficient for purposes of identification of each of the
22 projects to be financed by the bond issue; and

23 (7) a finding that the amount of the proposed bond issue is sufficient to
24 complete at least a useful portion of each project to be financed.

25 (e) Notwithstanding any other provision of the Code or any recitals of the bond,
26 the bonds are negotiable instruments.

27 18–115.

28 (a) If bonds are issued for projects having different probable useful lives, the
29 authority shall consider the amount of the bonds to be issued for each project when it
30 determines the average probable useful life of the projects.

1 (b) The determination under this section by an authority of probable useful life of
2 the project or average probable useful life of the projects is conclusive.

3 18–116.

4 By local law consistent with this subtitle, a county **OR MUNICIPALITY** shall
5 determine matters related to the authorization, issuance, sale, delivery, and payment of
6 bonds, including:

- 7 (1) issue date;
- 8 (2) maturity;
- 9 (3) interest rate;
- 10 (4) terms;
- 11 (5) form;
- 12 (6) denomination;
- 13 (7) manner of execution;
- 14 (8) place of payment;
- 15 (9) redemption;
- 16 (10) refunding;
- 17 (11) sale price;
- 18 (12) manner of sale; and
- 19 (13) security.

20 18–117.

21 (A) By local law, a county **OR MUNICIPALITY** may guarantee the bonds as to
22 payment of principal, interest, and any redemption premium by the full faith and credit of
23 the county **OR MUNICIPALITY**.

24 (B) **A MUNICIPALITY MAY NOT GRANT AN AUTHORITY INDEPENDENT**
25 **TAXING AUTHORITY.**

26 18–118.

1 Bonds, the borrowing that they represent, the project being financed, or the
2 guarantee of the county **OR MUNICIPALITY** with respect to payment of the principal,
3 interest, and redemption premium are not subject to any referendum requirements under
4 a county charter, **MUNICIPAL CHARTER**, or local law.

5 18-119.

6 Bonds are exempt from the conditions of sale requirements under §§ 19-205 and
7 19-206 of this article.

8 18-120.

9 Bonds, transfer of the bonds, and the interest payable and income derived from the
10 bonds are exempt from all State, county, and municipal taxation.

11 18-121.

12 This subtitle is the Parking Authorities Act.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.