

SENATE BILL 540

L3

5lr2437
CF HB 809

By: **Senator Astle**

Introduced and read first time: February 6, 2015

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2015

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

20 BY repealing and reenacting, without amendments,
21 Article – Local Government
22 Section 1–101(a) and (g), 18–101, 18–110, 18–111, 18–113 through 18–115, and
23 18–119 through 18–121
24 Annotated Code of Maryland

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.



(2013 Volume and 2014 Supplement)

BY repealing and reenacting, with amendments,
Article – Local Government
Section 18–103 through 18–109, 18–112, and 18–116 through 18–118
Annotated Code of Maryland
(2013 Volume and 2014 Supplement)

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

Article – Local Government

1–101.

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

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

18–101.

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

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

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

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

18–103.

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

18–104.

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

18–105.

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

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

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

3 18–106.

4 A county **OR MUNICIPALITY** may:

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

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

11 18–107.

12 (a) An authority consists of five members.

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

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

17 18–108.

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

20 (b) An authority may:

21 (1) use a common seal;

22 (2) sue and be sued; and

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

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

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

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

1 18-109.

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

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

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

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

9 18-110.

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

12 18-111.

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

15 18-112.

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

18 18-113.

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

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

22 (2) taken the oath of office.

23 18-114.

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

26 (1) acquiring property; or

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

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

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

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

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

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

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

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

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

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

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

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

21 18-115.

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

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

27 18-116.

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

31 (1) issue date;

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

13 18–117.

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

17 (B) **A MUNICIPALITY MAY NOT GRANT AN AUTHORITY INDEPENDENT**
18 **TAXING AUTHORITY.**

19 18–118.

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

24 18–119.

25 Bonds are exempt from the conditions of sale requirements under §§ 19–205 and
26 19–206 of this article.

1 18–120.

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

4 18–121.

5 This subtitle is the Parking Authorities Act.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.