

HOUSE BILL 862

L2

1lr1899

By: **St. Mary's County Delegation**

Introduced and read first time: January 29, 2021

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2021

CHAPTER _____

1 AN ACT concerning

2 **St. Mary's County and Metropolitan Commission – Debt Limitations**

3 FOR the purpose of altering the calculation of the aggregate amount of bonds and other
4 evidences of indebtedness outstanding at any one time in St. Mary's County;
5 requiring an amount equal to a certain percent of a certain percent limitation to be
6 available to the St. Mary's Metropolitan Commission for certain bonds or other
7 evidences of indebtedness; altering the calculation of the total amount of debt the St.
8 Mary's County Metropolitan Commission may incur under certain circumstances;
9 and generally relating to limitations on the amount of debt St. Mary's County and
10 the Metropolitan Commission may incur.

11 BY repealing and reenacting, with amendments,
12 The Public Local Laws of St. Mary's County
13 Section 27–11
14 Article 19 – Public Local Laws of Maryland
15 (2007 Edition and March 2015 Supplement, as amended)
16 (As enacted by Chapter 424 of the Acts of the General Assembly of 2017)

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 March 2015 Supplement, as amended)
22 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016, as amended
23 by Chapter 424 of the Acts of the General Assembly of 2017, Chapter 108 of

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.



1 the Acts of the General Assembly of 2018, and Chapter 66 of the Acts of the
2 General Assembly of 2020)

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

5 **Article 19 – St. Mary’s County**

6 27–11.

7 A. Unless and until otherwise provided by ordinance of the County
8 Commissioners within the limitations provided by public general law, **AND SUBJECT TO**
9 **SUBSECTION D OF THIS SECTION**, the aggregate amount of bonds and other evidences of
10 indebtedness outstanding at any one time may not exceed a total of the sum of [two and
11 fifteen hundredths (2.15)] **THREE AND FIFTEEN HUNDREDTHS (3.15)** percent upon the
12 assessable real property in the county other than the operating real property of a public
13 utility and five (5) percent upon the assessable personal property and operating real
14 property of a public utility. However, tax anticipation notes or other evidences of
15 indebtedness having a maturity not in excess of twelve (12) months, bonds or other
16 evidences of indebtedness issued or guaranteed by the county, payable primarily or
17 exclusively from taxes levied in or on or other revenues of special taxing areas or districts
18 heretofore or hereafter established by law, [and] bonds or other evidences of indebtedness
19 issued for self-liquidating and other projects payable primarily or exclusively from the
20 proceeds of assessments or charges for special benefits or services, and agreements or other
21 evidences of indebtedness executed or guaranteed by the county, payable primarily or
22 exclusively from investment instruments purchased by the county, that are guaranteed to
23 yield proceeds equal to or exceeding the amount of the county’s indebtedness, are not
24 subject to or to be included as bonds or evidences of indebtedness in computing or applying
25 the percent limitations above provided.

26 B. All bonds or other evidences of indebtedness issued under the authority of the
27 Sanitary Commission Act shall be subject to the percent limitation set forth in Subsection
28 A of this section. Responsibility for repayment shall remain with the St. Mary’s County
29 Metropolitan Commission.

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

34 **D. AN AMOUNT EQUAL TO AT LEAST FORTY (40) PERCENT OF THE PERCENT**
35 **LIMITATION ON INDEBTEDNESS SET FORTH UNDER SUBSECTION A OF THIS SECTION**
36 **FOR ASSESSABLE REAL PROPERTY IN THE COUNTY OTHER THAN THE OPERATING**
37 **REAL PROPERTY OF A PUBLIC UTILITY SHALL BE AVAILABLE TO THE ST. MARY’S**
38 **COUNTY METROPOLITAN COMMISSION FOR ALL BONDS OR OTHER EVIDENCES OF**
39 **INDEBTEDNESS OF THE COMMISSION.**

1 113-6.

2 A. (1) For the purpose of providing funds for the design, construction,
3 establishment, purchase or condemnation of water supply and sewerage systems in any of
4 the sanitary districts, the Metropolitan Commission, upon the approval of the
5 Commissioners of St. Mary's County and in accordance with § 27-11 of the Code of St.
6 Mary's County, Maryland, is authorized and empowered to incur debt, from time to time,
7 upon the full faith and credit of St. Mary's County, in such amounts as it may deem to be
8 necessary to carry on its work, but at no time shall the total debt outstanding for all
9 purposes under this chapter exceed [twenty-five (25)] ~~FORTY (40)~~ **TWO (2)** percent of the
10 total value of the property assessed for County taxation purposes within all of the sanitary
11 districts in which public water or sewer facilities are located.

12 (2) Subject to the conditions contained herein, the form, tenor, manner and
13 all other matters relating to the incurrence of debt, including, but not limited to, the
14 issuance of bonds under this chapter, shall be prescribed in a resolution to be adopted by
15 the Metropolitan Commission prior to incurring additional debt.

16 (3) Except as provided in § 27-11 of the Code of St. Mary's County,
17 Maryland, the issuance of bonds may not be subject to any limitations or conditions
18 contained in any other law, and the Metropolitan Commission may incur debt in such
19 manner and for such price as it may determine to be for the best interests of the
20 Metropolitan Commission as approved by the Commissioners of St. Mary's County.

21 (4) Any bonds issued shall be serial bonds issued upon the serial maturing
22 plan and in such denominations as shall be determined by the Metropolitan Commission.

23 (5) (A) Any debt incurred by the Metropolitan Commission may be
24 prepaid or redeemable before maturity, as permitted by the debt instrument, at the option
25 of the Metropolitan Commission at such price and under such terms and conditions as may
26 be fixed by the Metropolitan Commission prior to the incurrence of debt. Any related
27 interest owed shall be at such rate or rates payable not less than semiannually, as shall be
28 determined by a resolution of the Metropolitan Commission adopted prior to the incurrence
29 of debt.

30 (B) All debt incurred by the Metropolitan Commission shall mature
31 in not more than forty (40) years after date of issue and shall be forever exempt from State,
32 City and County taxation as hereinafter provided.

33 (C) All debt instruments and related documentation to evidence any
34 indebtedness shall be issued under the signature and seal of the Metropolitan Commission
35 and shall be unconditionally guaranteed as to payment of both principal and interest by
36 the Commissioners of St. Mary's County, a political subdivision of the State of Maryland,
37 which guaranty shall be endorsed on any such debt as may be issued in the following
38 language: "The payment of interest when due and the principal at maturity is guaranteed
39 by the Commissioners of St. Mary's County, Maryland." Such endorsement shall be signed

1 on any bonds issued by the Commissioners of St. Mary’s County within ten (10) days after
2 any bonds are presented by the Metropolitan Commission for such endorsement.

3 B. The principal amount of any Metropolitan Commission debt as permitted
4 hereunder, the interest payable thereon, and any income derived therefrom, including any
5 profit made by the Metropolitan Commission in the sale or transfer thereof, shall be and
6 remain exempt from taxation by the State of Maryland and by the several counties and
7 municipal corporations of this State.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.