

# HOUSE BILL 862

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

Introduced and read first time: January 29, 2021

Assigned to: Appropriations

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## A BILL ENTITLED

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; altering  
5 the calculation of the total amount of debt the St. Mary's County Metropolitan  
6 Commission may incur under certain circumstances; and generally relating to  
7 limitations on the amount of debt St. Mary's County and the Metropolitan  
8 Commission may incur.

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

15 BY repealing and reenacting, with amendments,  
16 The Public Local Laws of St. Mary's County  
17 Section 113–6  
18 Article 19 – Public Local Laws of Maryland  
19 (2007 Edition and March 2015 Supplement, as amended)  
20 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016, as amended  
21 by Chapter 424 of the Acts of the General Assembly of 2017, Chapter 108 of  
22 the Acts of the General Assembly of 2018, and Chapter 66 of the Acts of the  
23 General Assembly of 2020)

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

26 **Article 19 – St. Mary's County**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 27–11.

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

20 B. All bonds or other evidences of indebtedness issued under the authority of the  
21 Sanitary Commission Act shall be subject to the percent limitation set forth in Subsection  
22 A of this section. Responsibility for repayment shall remain with the St. Mary's County  
23 Metropolitan Commission.

24 C. All bonds or other evidences of indebtedness issued by the County  
25 Commissioners for the benefit of St. Mary's Hospital of St. Mary's County may not be  
26 included as bonds or other evidences of indebtedness in computing or applying the percent  
27 limitation provided in Subsection A of this section.

28 113–6.

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

39 (2) Subject to the conditions contained herein, the form, tenor, manner and  
40 all other matters relating to the incurrence of debt, including, but not limited to, the  
41 issuance of bonds under this chapter, shall be prescribed in a resolution to be adopted by

1 the Metropolitan Commission prior to incurring additional debt.

2 (3) Except as provided in § 27–11 of the Code of St. Mary’s County,  
3 Maryland, the issuance of bonds may not be subject to any limitations or conditions  
4 contained in any other law, and the Metropolitan Commission may incur debt in such  
5 manner and for such price as it may determine to be for the best interests of the  
6 Metropolitan Commission as approved by the Commissioners of St. Mary’s County.

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

9 (5) (A) Any debt incurred by the Metropolitan Commission may be  
10 prepaid or redeemable before maturity, as permitted by the debt instrument, at the option  
11 of the Metropolitan Commission at such price and under such terms and conditions as may  
12 be fixed by the Metropolitan Commission prior to the incurrence of debt. Any related  
13 interest owed shall be at such rate or rates payable not less than semiannually, as shall be  
14 determined by a resolution of the Metropolitan Commission adopted prior to the incurrence  
15 of debt.

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

19 (C) All debt instruments and related documentation to evidence any  
20 indebtedness shall be issued under the signature and seal of the Metropolitan Commission  
21 and shall be unconditionally guaranteed as to payment of both principal and interest by  
22 the Commissioners of St. Mary’s County, a political subdivision of the State of Maryland,  
23 which guaranty shall be endorsed on any such debt as may be issued in the following  
24 language: “The payment of interest when due and the principal at maturity is guaranteed  
25 by the Commissioners of St. Mary’s County, Maryland.” Such endorsement shall be signed  
26 on any bonds issued by the Commissioners of St. Mary’s County within ten (10) days after  
27 any bonds are presented by the Metropolitan Commission for such endorsement.

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

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
34 1, 2021.