

FILED

COUNTY COUNCIL OF
DORCHESTER COUNTY, MARYLAND

2014 MAR -6 PM 2: 10

Legislative Session 2014, Legislative Day No. 2

CIRCUIT COURT
DORCHESTER COUNTY

Bill No. 2014- 2

Introduced By: Council President Jay L. Newcomb

By the County Council, February 4 , 2014

AN ACT to authorize and empower Dorchester County, Maryland (the "County"), to borrow up to \$1,520,000 in the aggregate on its full faith and credit, and issue a general obligation installment note therefor (the "Note") to evidence and secure the County's obligation to finance or reimburse its share of the costs of the construction, furnishing and equipping of the Allied Health and Athletics facility at Chesapeake College and to correspondingly pay the County's share of the debt service on certain bonds issued by County Commissioners of Queen Anne's County ("Queen Anne's County") for such project; authorizing the County Council to adopt one or more administrative resolutions prior to issuing the Note in order to fix, prescribe, determine or provide for the details of the Note and the issuance and sale thereof; exempting the Note from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland; providing for the levy of taxes upon the assessable property within the County sufficient to pay the debt service on the Note; empowering and directing the County Council to adopt an administrative resolution approving or providing for the approval of and for the execution and delivery of a letter of intent, memorandum of understanding or other writing for the benefit of Queen Anne's County evidencing the intention of the County to issue the Note in order to facilitate activities relating to the Allied Health and Athletics facility project, and ratifying, confirming and approving any such administrative resolution adopted and writing delivered prior to the effective date of this bill; providing that this title is a fair summary of this bill for all purposes; and relating generally to the issuance, sale and delivery of the Note.

Introduced, read first time, ordered posted on official bulletin board of County, County Office Building, 501 Court Lane, Cambridge, Maryland 21613.

Ordered publication for once a week for two successive weeks, and public hearing scheduled on Tuesday, March 4, 2014, Room 110, County Office Building, 501 Court Lane, Cambridge, Maryland at 6:15 p.m.

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| Boldface | Heading or defined term |
| <u>Underlining</u> | Added to existing law(s) by original bill |
| [Single boldface brackets] | Deleted from existing law(s) by original bill |
| <u>Double underlining</u> | Added by amendment |
| [[Double boldface brackets]] | Deleted from existing law or the bill by amendment |
| *** | Existing law(s) unaffected by bill |

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WHEREAS, County Commissioners of Queen Anne’s County, a body politic and corporate and a political subdivision of the State of Maryland (“Queen Anne’s County”), has authorized the issuance and sale of a series of its general obligations bonds in aggregate principal amount not to exceed \$24,000,000 (the “Queen Anne’s County Bonds”) for the public purpose, among others, of financing or reimbursing the costs of the construction, furnishing and equipping of the Allied Health and Athletics facility at Chesapeake College (the “Chesapeake College Project”); and

WHEREAS, Chesapeake College is a regional community college that is supported by Caroline, Dorchester, Kent, Queen Anne’s and Talbot counties; and

WHEREAS, Section 16-203(b) of the Education Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Education Article”), provides that each county that supports a regional community college shall bear as its share of any borrowing for the regional community college the amount that results from applying to the total amount of the borrowing the ratio that the county’s population, as determined by the Maryland Department of Health and Mental Hygiene, bears to the total population of all the counties that support the regional community college; and

WHEREAS, Section 16-304(d) of the Education Article authorizes each county governing body to borrow money to purchase land and construct capital improvements for a community college, such money to be borrowed on terms and conditions the county governing body considers proper, subject to any requirements of local law applicable to the creation of public debt; and

WHEREAS, Sections 10-203 and 19-401 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 5(P) of Article 25A of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Enabling Act”), authorizes a charter county to borrow money on the faith and credit of such county and to evidence such borrowing by the issuance and sale of its general obligation bonds or other evidences of indebtedness; and

WHEREAS, Dorchester County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland (the “County”), is a charter county for purposes of the Local Government Article; and

WHEREAS, the County Council of Dorchester County, Maryland, the governing body of the County (the “County Council”), acting pursuant to and in accordance with the aforesaid provisions of the Education Article and Sections 10-203 and 19-401 of the Local Government Article, has determined to authorize the issuance, sale and delivery to Queen Anne’s County of a general obligation installment note in order to evidence and secure the obligation of the County to finance or reimburse its share of the costs of the Chesapeake College Project and to correspondingly pay the County’s share of the debt

92 service on that portion of the Queen Anne's County Bonds the proceeds of which will be
93 applied to finance or reimburse costs of the Chesapeake College Project, including the
94 County's share thereof.
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96 **NOW THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF**
97 **ARTICLE 5 OF THE CHARTER OF DORCHESTER COUNTY:**
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99 **SECTION ONE: BE IT ENACTED AND ORDAINED BY THE COUNTY**
100 **COUNCIL OF DORCHESTER COUNTY, MARYLAND** that the Recitals to this Bill
101 are incorporated herein and deemed a substantive part of this Bill. Capitalized terms used in
102 the Recitals to this Bill and not otherwise defined herein shall have the meanings given to
103 such terms in the Recitals.
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105 **SECTION TWO: BE IT FURTHER ENACTED AND ORDAINED BY THE**
106 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** that acting
107 pursuant to the authority hereof, Sections 16-203(b) and 16-304(d) of the Education
108 Article and Sections 10-203 and 19-401 of the Local Government Article, the County is
109 hereby authorized and empowered to borrow on its full faith and credit, and issue and sell
110 a general obligation note (the "Note") in order to finance or reimburse the County's share
111 of the costs of the Chesapeake College Project and to correspondingly evidence and
112 secure the obligation of the County to pay its share of that portion of the Queen Anne's
113 County Bonds the proceeds of which will be applied to finance or reimburse costs of the
114 Chesapeake College Project. The County's share of that amount, determined in
115 accordance with Section 16-203(b) of the Education Article, shall not exceed One
116 Million Five Hundred Twenty Thousand Dollars (\$1,520,000). The Note shall be issued
117 in the principal amount not to exceed One Million Five Hundred Twenty Thousand
118 Dollars (\$1,520,000).
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120 **SECTION THREE: BE IT FURTHER ENACTED AND ORDAINED BY THE**
121 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** the County
122 Council, by administrative resolution, shall fix, determine, prescribe or provide for
123 (including by delegating to the County Manager or other appropriate County official the
124 right to make any such determination) (a) the issuance and sale of, (b) the designation,
125 form, tenor, denomination or denominations and installments of, (c) the interest rate or
126 rates (or the method of determining the same) per annum payable on, (d) the manner of
127 executing, (e) any registrar and/or paying agent for, (f) the reserved right, if any, to
128 redeem prior to maturity and the premium or premiums, if any, payable upon the exercise
129 of said right, (g) any put option granted to the purchaser or purchasers thereof, (h) the
130 sale of the Note to Queen Anne's County by private (negotiated) sale, (i) how any sale
131 premium, investment earnings or excess proceeds shall be applied, which may be to costs
132 of the Chesapeake College Project, debt service or general County purposes, (j) how
133 proceeds of the Note shall be expended in connection with the Chesapeake College
134 Project and the Queen Anne's County Bonds, (k) the investment of proceeds of the Note,

135 if applicable, and (l) all other details, documents, agreements, terms or conditions relating
136 to the issuance, sale, delivery and payment of, the Note.

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138 **SECTION FOUR: BE IT FURTHER ENACTED AND ORDAINED BY THE**
139 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** that the Note
140 shall be issued within three years from the date this Act becomes effective.

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142 **SECTION FIVE: BE IT FURTHER ENACTED AND ORDAINED BY THE**
143 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** that the Note is
144 specifically exempted from the provisions of Sections 19-205 and 19-206 of the Local
145 Government Article of the Annotated Code of Maryland, as replaced, supplemented or
146 amended.

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148 **SECTION SIX: BE IT FURTHER ENACTED AND ORDAINED BY THE**
149 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** that for the
150 purpose of paying the principal of and interest on the Note as the same shall become
151 payable, the County Council shall levy annually ad valorem taxes upon the assessable
152 property in Dorchester County sufficient to pay the principal of and interest on the Note
153 until the same shall mature or be redeemed. The foregoing provisions shall not be
154 construed so as to prohibit the County from paying the principal of and interest on the Note
155 from the proceeds of the sale of any other obligations of the County or from any other funds
156 legally available for that purpose. Subject to applicable law, the County may apply to the
157 payment of the principal of or interest on any such obligations any funds received by it from
158 the State of Maryland or the United States of America, or any governmental agency or
159 instrumentality, or from any other source, if the funds are granted or paid to the County for
160 the purpose of assisting the County in accomplishing the type of project which the Note is
161 issued to finance or reimburse, and to the extent of any such funds received or receivable in
162 any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

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164 **SECTION SEVEN: BE IT FURTHER ENACTED AND ORDAINED BY THE**
165 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** that in order to
166 facilitate activities relating to the Chesapeake College Project, the County may deliver to
167 Queen Anne's County or enter into with Queen Anne's County a letter of intent,
168 memorandum of understanding or similar writing evidencing its intention to issue the
169 Note. The County Council shall by administrative resolution approve or provide for the
170 approval and for the execution and delivery of such written evidence of the County's
171 intention to issue the Note. To the extent the County Council so provide for the same by
172 resolution prior to the date this Act becomes effective, such resolution and further actions
173 of the County Council are hereby ratified, confirmed and approved.

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175 **SECTION EIGHT: BE IT FURTHER ENACTED AND ORDAINED BY THE**
176 **COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND** the title of this
177 Bill shall be deemed to be, and is, a fair summary of this Bill for publication and all other
178 purposes.

179 SECTION NINE: AND BE IT FURTHER ENACTED AND ORDAINED BY THE
180 COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND THAT THIS
181 BILL SHALL TAKE EFFECT 60 DAYS FROM THE DATE IT IS ENACTED,
182 SUBJECT TO THE PROVISIONS OF SECTION 307 OF THE COUNTY
183 CHARTER.

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185 APPROVED this 4th day of March, 2014.

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188 ATTEST:

COUNTY COUNCIL OF
DORCHESTER COUNTY:

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190 BY:


Jane Baynard, County Manager


Jay L. Newcomb, President

191
192 Donna F Lane
193 Executive Administrative Specialist

Newcomb- *aye*
Nichols- *aye*
Travers- *aye*
Price- *aye*
Bradshaw- *aye*

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