

Chapter 510

(House Bill 862)

AN ACT concerning

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

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

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

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

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

Article 19 – St. Mary's County

27–11.

A. Unless and until otherwise provided by ordinance of the County Commissioners within the limitations provided by public general law, **AND SUBJECT TO SUBSECTION D OF THIS SECTION**, the aggregate amount of bonds and other evidences of indebtedness outstanding at any one time may not exceed a total of the sum of [two and fifteen hundredths (2.15)] **THREE AND FIFTEEN HUNDREDTHS (3.15)** percent upon the

assessable real property in the county other than the operating real property of a public utility and five (5) percent upon the assessable personal property and operating real property of a public utility. However, tax anticipation notes or other evidences of indebtedness having a maturity not in excess of twelve (12) months, bonds or other evidences of indebtedness issued or guaranteed by the county, payable primarily or exclusively from taxes levied in or on or other revenues of special taxing areas or districts heretofore or hereafter established by law, [and] bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services, and agreements or other evidences of indebtedness executed or guaranteed by the county, payable primarily or exclusively from investment instruments purchased by the county, that are guaranteed to yield proceeds equal to or exceeding the amount of the county's indebtedness, are not subject to or to be included as bonds or evidences of indebtedness in computing or applying the percent limitations above provided.

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

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

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

113-6.

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

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

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

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

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

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

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

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.