

HOUSE BILL 359

L2

9lr1181

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

Introduced and read first time: January 30, 2019

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: March 5, 2019

CHAPTER _____

1 AN ACT concerning

2 **St. Mary's County – Building Authority Commission – Repeal**

3 FOR the purpose of repealing certain provisions of law that relate to the Building Authority
4 Commission in St. Mary's County; and generally relating to the Building Authority
5 Commission in St. Mary's County.

6 BY repealing

7 The Public Local Laws of St. Mary's County

8 Section 26–18

9 Article 19 – Public Local Laws of Maryland

10 (2007 Edition and October 2014 Supplement, as amended)

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

13 **Article 19 – St. Mary's County**

14 [26–18.

15 A. There is a St. Mary's County Building Authority Commission as a body politic
16 and corporate and public instrumentality of the County Commissioners of St. Mary's
17 County. The County Commissioners may utilize the Commission to accomplish their public
18 purposes as provided in this section.

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 B. The Commission is created and shall be operated and its powers exercised
2 solely to accomplish the following public purposes of the County Commissioners of St.
3 Mary's County:

4 (1) To acquire and take title to real property within the county.

5 (2) To acquire, construct, reconstruct, renovate, rehabilitate, expand or
6 equip improvement on real property owned by the Commission.

7 (3) To lease real property and improvements thereon to the state, the
8 county or any agency or instrumentality of either or any nonprofit corporation.

9 (4) To finance or refinance the acquisition, construction, reconstruction,
10 renovation, rehabilitation, expansion, equipping or leasing of such real property and
11 improvements thereon by the issuance and sale of limited obligation bonds.

12 C. Subject to the provisions of this section, the Commission may adopt an official
13 seal, sue and be sued, make and enter into contracts and agreements, acquire, hold,
14 transfer and dispose of any property or interest therein and exercise such other powers as
15 the Board of County Commissioners confers upon it to implement the public purposes of
16 this section. The exercise by the Commission of the powers conferred upon it shall be
17 deemed to be the performance of an essential public function.

18 D. Members of the Commission shall be appointed by and shall serve at the
19 pleasure of the County Commissioners. A member may be removed at any time, with or
20 without cause.

21 E. Subject to the provisions of this section, the County Commissioners shall
22 determine or approve all matters relating to the structure, organization and administration
23 of the Commission, including:

24 (1) The number, tenure, manner of appointment and compensation (if any)
25 of its members.

26 (2) The tenure and manner of election of its officers.

27 (3) Staffing requirements and appointments.

28 (4) The bylaws and procedures used by the Commission for the regulation
29 of its affairs and the conduct of its business.

30 F. The Board of County Commissioners may appropriate funds to provide for the
31 necessary expenses of the Commission.

32 G. The Commission, on behalf of the County Commissioners of St. Mary's County
33 and with the approval of the Board of County Commissioners, may issue and sell its limited
34 obligation bonds at any time and from time to time for the purpose of financing or

1 refinancing the costs of acquiring, constructing, reconstructing, renovating, rehabilitating,
2 expanding, equipping or leasing real property, and improvements thereon, pursuant to this
3 section and for the purpose of refunding outstanding bonds, including the necessary
4 expenses of preparing, printing, selling and issuing the bonds, the funding of reserves and
5 the payment of interest in such amounts and for such period as the Commission deems
6 reasonable.

7 H. Bonds issued by the Commission shall be authorized by a resolution or
8 resolutions of the Commission which shall specify, prescribe, determine, provide for and
9 approve such matters, details, forms, documents or procedures as the Commission may
10 deem appropriate to the authorization, sale, security, issuance, delivery or payment of or
11 for the bonds.

12 I. The Commission may enter into a trust agreement with any trust company or
13 bank having the powers of a trust company in order to secure the bonds through a pledge
14 or assignment of revenues to be received by the Commission to pay the principal of,
15 premium (if any) and interest on the bonds. As additional security for the payment of the
16 principal of, premium (if any) on, and interest on the bonds, the Commission may convey
17 or assign any real or personal property financed or refinanced out of the proceeds of the
18 sale of the bonds. Such pledge, conveyance, or assignment shall be valid and binding
19 against any person having a claim of any kind against the Commission, irrespective of
20 whether the person has notice.

21 J. Bonds issued by the Commission shall bear such date or dates, mature at such
22 time or times, not exceeding thirty (30) years from their respective dates, bear interest at
23 such rate or rates, be payable at such time or times, be in such denominations, be in such
24 form, either coupon or registered, carry such registration privileges, be executed in such
25 manner, be payable in lawful money of the United States of America at such place or places
26 and may be subject to such terms of redemption as the Commission shall determine. The
27 bonds shall be sold in such manner, either at public or private (negotiated) sale, and upon
28 such terms, at, above or below par, as the Commission deems best. The bonds are not
29 subject to the limitations of §§ 9, 10 or 11 of Article 31 of the Annotated Code of Maryland.

30 K. Bonds issued by the Commission and the interest on them are limited
31 obligations of the Commission, the principal of, premium (if any) and interest on which are
32 payable solely from rents or other revenues derived from the real property, and
33 improvements thereon, acquired, constructed, reconstructed, renovated, rehabilitated,
34 expanded, equipped, or leased by the Commission pursuant to this section, from any other
35 funds made available to the Commission for such purpose and, in the event the trustee
36 under the trust agreement securing such bonds holds any additional security for the
37 payment of the principal of, premium (if any) on, and interest on the bonds, from the
38 proceeds of such security. Neither the bonds issued by the Commission nor the interest on
39 them shall ever constitute an indebtedness or a charge against the general credit of the
40 Commission or the general credit or taxing power of the County Commissioners of St.
41 Mary's County within the meaning of any constitutional or statutory limitation and neither
42 shall ever constitute or give rise to any pecuniary liability of the Commission or the County

1 Commissioners of St. Mary's County, except to the extent that the county may be the lessee
2 of the real property and improvements thereon with respect to which the bonds are issued.

3 L. The Commission shall be exempt from any payment of or liability for any and
4 all ordinary taxes, whether federal, state or local, now or hereafter levied or imposed and
5 any assessments or other governmental charges. The principal amount of bonds issued by
6 the Commission, the interest payable on them, their transfer and any income derived from
7 them, including any profit made in the sale or transfer of them, are and shall remain
8 exempt from taxation of every kind and nature whatsoever by the State of Maryland or by
9 any of its political subdivisions, municipal corporations or public agencies of any kind.

10 M. The net earnings of the Commission, aside from those necessary to pay debt
11 service or to implement the public purposes of this section, may not inure to the benefit of
12 any person other than the County Commissioners of St. Mary's County.

13 N. Subject to the provisions of this section and to any limitations imposed by law
14 upon the impairment of contracts, the Board of County Commissioners may at any time
15 change the structure, organization, procedures, programs or activities of the Commission
16 or terminate the Commission. Upon termination of the Commission, title to all its property
17 shall vest in and all obligations and assets of the Commission shall be transferred to and
18 assumed by the County Commissioners of St. Mary's County.

19 O. Any action or determination of the Board of County Commissioners required
20 or permitted by this section shall be taken or made solely by resolution of the Board.

21 P. Nothing contained in this section shall exempt the Commission from
22 compliance with the requirements of §§ 19–101 et seq. of the Health–General Article of the
23 Annotated Code of Maryland, relating to the construction of or expenditures by healthcare
24 facilities.

25 Q. Notwithstanding any other provision of public general law or public local law:

26 (1) The Commission or any assignee of the Commission may bring suit in
27 any court of competent jurisdiction against the state, the county, or any agency or
28 instrumentality of either to enforce any lease or other agreement entered into between the
29 Commission and the state, the county, or any agency or instrumentality of either; and

30 (2) The provisions of Sections 12–202 through 12–204 of the State
31 Government Article, that relate to the waiver or bar of the defense of sovereign immunity
32 and the satisfaction of final judgments rendered against the state or any agency or
33 instrumentality of the state, apply to any lease or other agreement entered into between
34 the Commission and the state or any agency or instrumentality of the state.

35 R. Leases.

36 (1) The county may enter into a lease or other agreement with the
37 Commission in order to accomplish the public purposes of this section.

1 (2) Any lease or other agreement between the county and the Commission
2 shall be on such terms and conditions as the Board of County Commissioners may
3 determine and shall be legally binding upon the county and enforceable against the county
4 in accordance with its terms.

5 (3) Any lease between the county and the Commission may be for a term of
6 any number of years, and any rent thereunder may be payable from the general funds of
7 the county or from any special funds as may be designated by the Board of County
8 Commissioners.]

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.