COUNTY COUNCIL

OF

TALBOT COUNTY, MARYLAND

2014 Legislative Session, Legislative Day No.: January 14, 2014

Bill No.: 1258

Expiration Date: March 20, 2014

Introduced by: Mr. Bartlett, Mr. Hollis, Mr. Pack

AN ACT TO AUTHORIZE TALBOT COUNTY, MARYLAND TO ISSUE A GENERAL OBLIGATION NOTE FOR THE PURPOSE OF EVIDENCING AND SECURING TALBOT COUNTY'S OBLIGATION TO PAY ITS SHARE OF THE DEBT SERVICE ON CERTAIN BONDS ISSUED BY QUEEN ANNE'S COUNTY, MARYLAND TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF THE ALLIED HEALTH AND ATHLETICS FACILITY AT CHESAPEAKE COLLEGE, TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION REFUNDING NOTES, AND RELATING GENERALLY TO THE ISSUANCE AND DELIVERY OF SUCH NOTE FOR SUCH PURPOSES

By the Council: January 14, 2014

Introduced, read the first time, ordered, posted, and public hearing scheduled on Tuesday, February 11, 2014 at 2:00 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 N. Washington Street, Easton, Maryland 21601.

By Order Susan W. Moran
Secretary

AN ACT TO AUTHORIZE TALBOT COUNTY, MARYLAND TO ISSUE A GENERAL OBLIGATION NOTE FOR THE PURPOSE OF EVIDENCING AND SECURING TALBOT COUNTY'S OBLIGATION TO PAY ITS SHARE OF THE DEBT SERVICE ON CERTAIN BONDS ISSUED BY QUEEN ANNE'S COUNTY, MARYLAND TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF THE ALLIED HEALTH AND ATHLETICS FACILITY AT CHESAPEAKE COLLEGE, TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION REFUNDING NOTES, AND RELATING GENERALLY TO THE ISSUANCE AND DELIVERY OF SUCH NOTE FOR SUCH PURPOSES

RECITALS

The Board of County Commissioners of Queen Anne's County ("Queen Anne's County") has authorized the issuance and sale by Queen Anne's County, Maryland of a series of its general obligation 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 the construction, furnishing and equipping of the Allied Health and Athletics facility at Chesapeake Community College (the "Chesapeake College Project"). Chesapeake College is a regional community college that is supported by Caroline, Dorchester, Kent, Queen Anne's and Talbot Counties.

Section 16-304(d) of the Education Article of the Annotated Code of Maryland (2006 Replacement Volume and 2013 Supplement) (the "Education Article") authorizes each county governing body to borrow money to purchase land and construct capital improvements for a community college. Section 16-203 of 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 Department of Health and Mental Hygiene, bears to the total population of all the counties that support the regional community college.

The County Council of Talbot County, Maryland (the "County Council"), acting pursuant to and in accordance with the provisions of Sections 16-203 and 16-304(d) of the Education Article and Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (the "Local Government Article"), has determined to authorize the issuance and delivery to Queen Anne's County of a general obligation note of Talbot County, Maryland ("Talbot County") in order to evidence and secure the obligation of Talbot County to pay its share of the debt service on that portion of the Queen Anne's County Bonds the proceeds of which will be applied to finance the Chesapeake College Project.

NOW THEREFORE, BE IT ENACTED by the County Council of Talbot County, Maryland:

SECTION 1. All terms used herein which are defined in the Recitals shall have the meanings given such terms therein.

SECTION 2. Acting pursuant to the authority hereof and Sections 16-203 and 16-304(d) of the Education Article and Section 10-203 of the Local Government Article, Talbot County is authorized to issue upon its full faith and credit, a general obligation note (the "Note") in order to evidence and secure the obligation of Talbot County to pay its share of that portion of the Queen Anne's County Bonds the proceeds of which will be applied to finance the Chesapeake College Project. Proceeds of the Queen Anne's County Bonds in the amount of Seven Million Forty Thousand Dollars ($7,040,000) will be applied to finance the Chesapeake College Project, and Talbot County's share of that amount, determined in accordance with Section 16-203(b) of the Education Article, is One Million Seven Hundred Sixty Thousand Dollars ($1,760,000).

SECTION 3. The Note shall be dated as of, and shall bear interest from, the date of the Queen Anne's County Bonds. Principal of the Note shall be payable in annual installments on the date that principal payments are due on the Queen Anne's County Bonds. Interest on the Note shall be payable semiannually on the dates the interest payments are due on the Queen Anne's County Bonds. The Note shall be signed by the President or Acting President of the County Council and the seal of Talbot County shall be impressed thereon, attested by the signature of the Secretary to the County Council. The County Council shall by resolution prescribe and approve the final form of the Note (which may be determined in accordance with applicable provisions of law relating to the form, denomination and consolidation of debt issued by Maryland counties), the amount of the annual principal installments of the Note, the final maturity of the Note, and the rate or rates of interest payable on the Note, or in each case, the manner of determining the same, and such other matters not inconsistent herewith as shall be determined to be appropriate by the County Council. The resolution may be passed by the County Council at any time after the passage hereof, and the appropriate officers of Talbot County may take any steps deemed appropriate to effect the timely issuance and delivery of the Note pursuant to the resolution at any time after the passage hereof, provided only that the resolution may not become finally effective until the effective date hereof. The Note may be issued on any date after the effective date hereof.

SECTION 4. Talbot County is hereby authorized pursuant to Section 19-207 of the Local Government Article (the "Refunding Act") to issue its notes secured by the full faith and credit of Talbot County in the manner prescribed herein ("Refunding Notes") for the purpose of refunding the Note issued hereunder. The Refunding Notes may be issued at one time or from time to time, for one or more public purposes specified for the issuance of refunding debt in the Refunding Act, and sold at public or private sale, as may be further provided in the resolution of the County Council, which also shall prescribe the final form of Refunding Notes, the amount of the annual principal installments of the Refunding Notes, the final maturity of the Refunding Notes, and the rate of interest payable on the Refunding Notes, or in each case, the manner of determining the same. The aggregate principal amount of Refunding Notes shall not exceed 120% of the principal amount of the Note being refunded. The validity of any such Refunding Notes shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded.

SECTION 5. The full faith and credit and taxing powers of Talbot County are hereby irrevocably pledged to the fullest extent possible to the payment of the principal of and interest on the Note as and when they become due and payable. This pledge constitutes a covenant on the part of Talbot County to levy, upon all property within its corporate limits subject to assessment for Talbot County taxation, ad valorem taxes in rate and amount sufficient in each year in which the Note is outstanding to provide for the payment of the principal of and interest thereon subject to the limitation set forth in Section 614 of the Charter of Talbot County.

SECTION 6. The Note is hereby specifically exempted from the provisions of Sections 19-205 to 19-206 of the Local Government Article.

SECTION 7. This bill shall take effect sixty (60) days from the date of its passage.

PUBLIC HEARING

Having been posted and Notice of time and place of hearing and Title of Bill No. _____ having been published, a public hearing was held on _____, _____, 2014, at ___ p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland.

BY THE COUNCIL

Read the third time.

ENACTED: _____, 2014

By Order _____
Susan W. Moran, Secretary

Pack -

Hollis -

Bartlett -

Price -

Duncan -

EFFECTIVE: _____