

**FINAL**

AMENDED  
February 6, 2017

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2017, Legislative Day No. 1

Bill No. 2-17

Introduced by Mr. Grasso, Chairman  
(by request of the County Executive)

By the County Council, January 3, 2017

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Introduced and first read on January 3, 2017  
Public Hearing set for and held on February 6, 2017  
Public Hearing on AMENDED BILL set for and held on February 21, 2017  
Bill Expires April 8, 2017

By Order: Elizabeth E. Jones, Administrative Officer

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A BILL ENTITLED

1 AN ORDINANCE concerning: Finance and Taxation – General Obligation Interim Notes

2  
3 FOR the purpose of authorizing the issuance of general obligation interim notes;  
4 establishing the general rules for the issuance of interim notes; authorizing the  
5 monetary amount allowed for interim notes; requiring redemption of interim notes  
6 during the fiscal year of their issuance from proceeds of bonds issued within that  
7 fiscal year; authorizing tax levies to fund interim notes; establishing the manner of  
8 execution of interim notes; creating certain reporting requirements; and generally  
9 relating to the issuance, sale and delivery of the interim notes.

10  
11 BY adding: §§ 4-10-401 through 4-10-406 to be under the new subtitle “Subtitle 4.  
12 Interim Notes”  
13 Anne Arundel County Code (2005, as amended)

14  
15 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*  
16 *Maryland,* That Section(s) of the Anne Arundel County Code (2005, as amended) read as  
17 follows:

18  
19 **ARTICLE 4. FINANCE AND TAXATION**

20  
21 **TITLE 10. BONDS, TAX ANTICIPATION NOTES, AND INTERIM NOTES**

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EXPLANATION: CAPITALS indicate new matter added to existing law.  
[Brackets] indicate matter stricken from existing law.  
Underlining indicates amendments to bill.  
~~Strikeover~~ indicates matter stricken from bill by amendment.

1 **4-10-401. Authority to issue, sell, and deliver.**

2  
3 (A) **Authorization.** PURSUANT TO § 721(B) OF THE CHARTER, THE COUNTY IS HEREBY  
4 AUTHORIZED TO ISSUE, SELL, AND DELIVER ONE OR MORE SERIES OF INTERIM NOTES TO  
5 PROVIDE A TEMPORARY MEANS OF FINANCING THE FUNDING OF APPROPRIATIONS FOR  
6 CAPITAL PROJECTS APPROVED IN A CAPITAL BUDGET TO THE EXTENT THE SAME ARE TO  
7 BE FINANCED FROM BORROWING AND THE BORROWING IS NOT, AT THE TIME OF  
8 ISSUANCE OF THE NOTES, AUTHORIZED PURSUANT TO AN ENACTED BOND ISSUE  
9 AUTHORIZATION ORDINANCE. THE NET PROCEEDS FROM THE SALE OF THE INTERIM  
10 NOTES SHALL BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FUNDING CAPITAL  
11 PROJECTS APPROVED IN AN EFFECTIVE CAPITAL BUDGET. THE AUTHORITY CONTAINED  
12 IN THIS SECTION SHALL BE IN ADDITION AND SUPPLEMENTARY TO ANY OTHER  
13 AUTHORITY VESTED IN THE COUNTY TO BORROW MONEY.  
14

15 (B) **Order of County Executive.** INTERIM NOTES ISSUED HEREUNDER TO  
16 TEMPORARILY FUND APPROPRIATIONS FOR CAPITAL PROJECTS SHALL BE AUTHORIZED  
17 BY ORDER OF THE COUNTY EXECUTIVE. THE COUNTY EXECUTIVE SHALL HAVE THE  
18 AUTHORITY TO FIX THE TERMS, MATURITY, INTEREST RATES, METHOD OF ISSUANCE  
19 AND SALE, WHICH MAY BE BY PRIVATE NEGOTIATED SALE OR BY COMPETITIVE SALE,  
20 AND OTHER CONDITIONS OF ISSUANCE AS PROVIDED BY THIS SUBTITLE.  
21

22 (C) **Limitations.** THE ISSUANCE OF INTERIM NOTES SHALL BE SUBJECT TO THE  
23 LIMITATIONS SET FORTH IN § 719 OF THE CHARTER.  
24

25 (D) **Payment date.** ANY INTERIM NOTES ISSUED HEREUNDER SHALL BE PAID NOT  
26 LATER THAN THE LAST DAY OF THE FISCAL YEAR ~~NEXT SUCCEEDING THE FISCAL YEAR~~  
27 IN WHICH THE NOTES ARE ISSUED.  
28

29 **4-10-402. Amount authorized.**

30  
31 INTERIM NOTES MAY BE ISSUED ONLY IF, UPON THE ISSUANCE OF THE INTERIM  
32 NOTES, THE AGGREGATE PRINCIPAL AMOUNT OF INTERIM NOTES OUTSTANDING UNDER  
33 THIS SUBTITLE DOES NOT EXCEED 50% OF THE AMOUNT OF APPROPRIATIONS FOR  
34 CAPITAL PROJECTS APPROVED IN A CAPITAL BUDGET TO THE EXTENT THE SAME ARE TO  
35 BE FINANCED FROM BORROWING AND THE BORROWING IS NOT, AT THE TIME OF  
36 ISSUANCE OF THE INTERIM NOTES, AUTHORIZED PURSUANT TO AN ENACTED BOND  
37 ISSUE AUTHORIZATION ORDINANCE.  
38

39 **4-10-403. Payment pledge.**

40  
41 (A) **Tax levy.** IF NOT PAID OR REDEEMED AS SET FORTH IN SUBSECTIONS (B) OR (C),  
42 THE COUNTY SHALL LEVY OR CAUSE TO BE LEVIED AD VALOREM TAXES UPON ALL  
43 REAL AND TANGIBLE PERSONAL PROPERTY WITHIN ITS BOUNDARIES SUBJECT TO  
44 ASSESSMENT FOR TAXATION IN RATES AND AMOUNTS SUFFICIENT IN EACH AND EVERY  
45 FISCAL YEAR IN WHICH SUCH INTERIM NOTES ARE OUTSTANDING TO PROVIDE FOR THE  
46 PROMPT PAYMENT, WHEN DUE, OF THE PRINCIPAL OF AND INTEREST ON THE INTERIM  
47 NOTES. IF THE PROCEEDS FROM THE TAXES LEVIED IN ANY FISCAL YEAR ARE  
48 INADEQUATE FOR SUCH PAYMENT, ADDITIONAL TAXES SHALL BE LEVIED IN THE  
49 SUCCEEDING FISCAL YEAR TO REMEDY SUCH DEFICIENCY. THE FULL FAITH AND CREDIT  
50 AND TAXING POWER OF THE COUNTY IS PLEDGED, SUBJECT TO THE LIMITATION ON THE  
51 TAX LEVY SET OUT IN § 710(D) OF THE CHARTER, TO THE PROMPT PAYMENT OF THE  
52 PRINCIPAL OF AND INTEREST ON THE INTERIM NOTES AS AND WHEN SUCH INTERIM  
53 NOTES SHALL BECOME DUE AND PAYABLE AND TO THE LEVY AND COLLECTION OF THE  
54 TAXES HEREIN DESCRIBED AS AND WHEN SUCH TAXES MAY BECOME NECESSARY TO  
55 PROVIDE SUFFICIENT FUNDS TO PAY THE DEBT SERVICE REQUIREMENTS ON THE

1 INTERIM NOTES. THE COUNTY SHALL COVENANT AND AGREE WITH OWNERS OF THE  
2 INTERIM NOTES TO LEVY AND COLLECT THE TAXES HEREIN DESCRIBED.  
3

4 (B) **Other funds.** THE COUNTY MAY APPLY TO THE PAYMENT OF THE PRINCIPAL OF  
5 OR INTEREST ON THE INTERIM NOTES ANY FUNDS RECEIVED BY IT FROM THE STATE OF  
6 MARYLAND OR THE UNITED STATES OF AMERICA OR ANY GOVERNMENTAL AGENCY OR  
7 INSTRUMENTALITY, OR FROM ANY OTHER LEGALLY AVAILABLE SOURCE, INCLUDING  
8 THE PROCEEDS OF BONDS, IF SUCH FUNDS ARE AVAILABLE TO THE COUNTY FOR THE  
9 PURPOSE OF ACCOMPLISHING THE TYPE OF PROJECTS WHICH THE INTERIM NOTES ARE  
10 ISSUED TO FINANCE. THE TAXES HEREBY REQUIRED TO BE LEVIED MAY BE REDUCED BY  
11 THE AMOUNT OF ANY SUCH FUNDS RECEIVED OR RECEIVABLE IN ANY FISCAL YEAR.  
12

13 (C) **Redemption.** IF NOT PAID OTHERWISE AS SET FORTH IN SUBSECTION (B), INTERIM  
14 NOTES MAY SHALL BE REDEEMED NOT LATER THAN THE LAST DAY OF THE FISCAL YEAR  
15 OF ISSUANCE OF THE INTERIM NOTES FROM THE PROCEEDS OF BOND ANTICIPATION  
16 NOTES OR BONDS ISSUED PURSUANT TO A DULY ENACTED BOND ISSUE AUTHORIZATION  
17 ORDINANCE THAT AUTHORIZES THE FINANCING OF PROJECTS WHICH THE INTERIM  
18 NOTES HAVE BEEN ISSUED TO FINANCE.  
19

20 **4-10-404. Manner of execution.**  
21

22 THE INTERIM NOTES SHALL BE EXECUTED ON BEHALF OF THE COUNTY BY THE  
23 MANUAL OR FACSIMILE SIGNATURE OF THE COUNTY EXECUTIVE. THE SEAL OF THE  
24 COUNTY OR FACSIMILE OF THE SEAL SHALL BE IMPRINTED ON THE INTERIM NOTES AND  
25 ATTESTED BY THE MANUAL OR FACSIMILE SIGNATURE OF THE ADMINISTRATIVE  
26 OFFICER TO THE COUNTY COUNCIL. EACH NOTE SHALL BE AUTHENTICATED BY THE  
27 MANUAL OR FACSIMILE SIGNATURE OF THE CHIEF ADMINISTRATIVE OFFICER. IN THE  
28 ALTERNATIVE, THE COUNTY EXECUTIVE MAY PROVIDE FOR AUTHENTICATION OF THE  
29 INTERIM NOTES BY ANY BANK OR TRUST COMPANY APPOINTED TO ACT AS NOTE  
30 REGISTRAR. AN INTERIM NOTE IS NOT VALID FOR ANY PURPOSE NOR DOES IT  
31 CONSTITUTE AN OBLIGATION OF THE COUNTY UNLESS SO AUTHENTICATED.  
32

33 **4-10-405. Report to County Council.**  
34

35 WITHIN 30 DAYS OF EACH SALE OF INTERIM NOTES, THE COUNTY EXECUTIVE SHALL  
36 REPORT THE SALE TO THE COUNTY COUNCIL.  
37

38 **4-10-406. Not subject to certain provisions of State law.**  
39

40 INTERIM NOTES AUTHORIZED HEREUNDER ARE SPECIFICALLY EXEMPTED FROM THE  
41 PROVISIONS OF THE LOCAL GOVERNMENT ARTICLE, §§ 19-205 AND 19-206, OF THE STATE  
42 CODE.  
43

44 SECTION 2. *And be it further enacted,* That this Ordinance shall take effect 45 days  
45 from the date it becomes law.

AMENDMENTS ADOPTED: February 6, 2017


READ AND PASSED this 21<sup>st</sup> day of February, 2017

By Order:




JoAnne Gray  
Administrative Officer

PRESENTED to the County Executive for his approval this 22<sup>nd</sup> day of February, 2017

  
JoAnne Gray  
Administrative Officer

APPROVED AND ENACTED this 3<sup>rd</sup> day of March, 2017

  
Steven R. Schuh  
County Executive

EFFECTIVE DATE: April 17, 2017

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.  
2-17. THE ORIGINAL OF WHICH IS RETAINED IN THE FILES  
OF THE COUNTY COUNCIL.

  
JoAnne Gray  
Administrative Officer