



Gregory J. Swain, County Attorney

MEMORANDUM

To: Members, Anne Arundel County Council

From: Lori L. Blair Klasmeier, Deputy County Attorney /s/

Via: Gregory J. Swain, County Attorney /s/

Date: May 3, 2021

Subject: Bill No. 31-21 – Boards, Commissions, and Similar Bodies – Resilience Authority of Annapolis and Anne Arundel County

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 31-21, which creates the Resilience Authority of Annapolis and Anne Arundel County.

Background.

During its 2020 session, the General Assembly passed Senate Bill 457, which added Title 22, “Resilience Infrastructure” to the Local Government Article of the State Code. This Title enables local government entities to create resilience financing authorities.

In enacting this legislation, the General Assembly recognized that climate change is impacting the State of Maryland, including rising temperatures, major storm events, sea level rise, and changes in precipitation patterns. As a result, Maryland communities are experiencing the effects of these climate changes. Coastal states are and will be especially hard hit, and local governments will bear much of the costs to mitigate these impacts through infrastructure investment. Thus, the General Assembly determined that local resilience financing authorities could work with local governments to accelerate infrastructure financing, reduce cost of implementation, and mitigate and manage the risks of climate change. (See Preamble to Senate Bill 457, 2020 Legislative Session, Maryland General Assembly).

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Purpose.

Bill No. 31-21 creates the Resilience Authority of Annapolis and Anne Arundel County as permitted under State law. The Authority will be a joint undertaking with the City of Annapolis, and, therefore, the Bill is contingent on the City of Annapolis passing substantially similar legislation within 120 days of the Bill becoming law. The Bill tracks the provisions of State law relating to resilience authorities created by local government entities.

Summary.

SECTION 1 of the Bill adds Title 8A, entitled “Resilience Authority of Annapolis and Anne Arundel County”, to Article 3 of the County Code.

Section 3-8A-101 defines terms used in the Title. These definitions are consistent with the definitions on the State enabling legislation.

Section 3-8A-102 creates the Authority, and, consistent with State law requirements, upon State Department of Assessments and Taxation (“SDAT”) acceptance of Articles of Incorporation, the Authority shall be a body corporate and politic of the County and the City of Annapolis. This section also includes provisions related to amendment of the Articles of Incorporation and modification or termination of the Authority.

Section 3-8A-103 sets forth the composition of the Authority, which will be 12 members, with 9 County residents appointed by the County Executive and 3 City residents appointed by the Mayor. Members may not be County or City employees or officials, but certain specified County and City officials will serve as non-voting advisors to the Authority. Members shall serve four-year terms and may be reappointed. Members may be removed for cause, including absence from meetings.

Section 3-8A-104 provides that the County Executive shall annually appoint a Chair of the Authority.

Section 3-8A-105 provides that 7 members of the Authority represent a quorum.

Section 3-8A-106 provides that members of the Authority may be reimbursed for reasonable expenses from Authority funds.

Section 3-8A-107 sets forth provisions related to the appointment of a Director of the Authority by the County Executive, with the concurrence of the Mayor. This section includes the qualifications, the right to compensation, and the development of the duties of the Director.

Section 3-8A-108 sets forth provisions related to the appointment of a Chief Financial Officer of the Authority by the members of the Authority. The Chief Financial Officer shall be compensated and must be bonded.

Section 3-8A-109 provides that net earnings of the Authority may only benefit the Authority, the County, or the City.

Section 3-8A-110 sets forth the powers of the Authority as those are prescribed by State law, including the power to acquire property and to construct, maintain, and operate resilience infrastructure.

Section 3-8A-111 provides that the Authority may issue bonds to finance resilience projects. Such bonds are not a pledge of the full faith and credit or taxing power of the County or the City.

Section 3-8A-112 sets forth the requirements for Authority bond transactions, including adoption of a corporate resolution describing the project being undertaken and the financing transaction.

Section 3-8A-113 sets forth reporting requirements, including an annual report to the County Executive, County Council, Mayor, and City Council, and certain reports to State entities as required under State law.

Section 2 of the Bill approves the execution and filing of the Articles of Incorporation of the Authority as required under State law.

Section 3 of the Bill provides that the Bill takes effect 120 days after it becomes law, contingent upon the City of Annapolis enacting substantially similar legislation within that 120 day period. If the City does not enact substantially similar legislation, then the Ordinance will become null and void without further action of the County Council.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you.

cc: Honorable Steuart Pittman, County Executive
Kai Boggess-deBruin, Chief of Staff
Matthew Power, Chief Administrative Officer
Peter Baron, Legislative Liaison
Chris Trumbauer, Budget Officer
Matthew Johnston, Environmental Policy Director