

Chapter 181

(House Bill 359)

AN ACT concerning

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

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

BY repealing

The Public Local Laws of St. Mary's County

Section 26–18

Article 19 – Public Local Laws of Maryland

(2007 Edition and October 2014 Supplement, as amended)

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

[26–18.

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

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

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

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

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

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

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

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

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

- (1) The number, tenure, manner of appointment and compensation (if any) of its members.
- (2) The tenure and manner of election of its officers.
- (3) Staffing requirements and appointments.
- (4) The bylaws and procedures used by the Commission for the regulation of its affairs and the conduct of its business.

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

G. The Commission, on behalf of the County Commissioners of St. Mary's County and with the approval of the Board of County Commissioners, may issue and sell its limited obligation bonds at any time and from time to time for the purpose of financing or refinancing the costs of acquiring, constructing, reconstructing, renovating, rehabilitating, expanding, equipping or leasing real property, and improvements thereon, pursuant to this section and for the purpose of refunding outstanding bonds, including the necessary expenses of preparing, printing, selling and issuing the bonds, the funding of reserves and the payment of interest in such amounts and for such period as the Commission deems reasonable.

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

I. The Commission may enter into a trust agreement with any trust company or bank having the powers of a trust company in order to secure the bonds through a pledge

or assignment of revenues to be received by the Commission to pay the principal of, premium (if any) and interest on the bonds. As additional security for the payment of the principal of, premium (if any) on, and interest on the bonds, the Commission may convey or assign any real or personal property financed or refinanced out of the proceeds of the sale of the bonds. Such pledge, conveyance, or assignment shall be valid and binding against any person having a claim of any kind against the Commission, irrespective of whether the person has notice.

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

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

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

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

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

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

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

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

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

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

R. Leases.

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

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

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

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

Approved by the Governor, April 18, 2019.