

INTRODUCED 5/6/19
PUBLIC HEARING 5/20/19
COUNCIL ACTION 5/29/19
EXEC. ACTION 6/5/19
EFFECTIVE DATE 8/5/19

County Council Of Howard County, Maryland

2019 Legislative Session

Legislative Day No. 6

Bill No. 282019

Introduced by: The Chairperson at the request of the County Executive

AN ACT for the purpose of authorizing and empowering Howard County, Maryland to borrow money in the aggregate principal amount of up to \$1,757,000 on its full faith and credit, and issue and sell its bonds or other obligations therefor, to be used to pay costs of certain County environmental services fund projects as more particularly described in the County's 2020 Capital Budget, and to pay costs of issuance of such bonds or other obligations; authorizing and empowering the County to issue bond anticipation notes or to enter into installment purchase agreements for payment of portions of such costs; and to levy taxes upon the assessable property within the County sufficient, together with amounts held in the Environmental Services Special Revenue Fund and other available funds, to pay the debt service on such obligations; and providing for and determining various matters in connection therewith.

Introduced and read first time May 6, 2019. Ordered posted and hearing scheduled.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on May 20, 2019.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

This Bill was read the third time on May 29, 2019 and Passed , Passed with amendments _____, Failed _____.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 30th day of May 2019 at 4 a.m./p.m.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

Approved by the County Executive June 5, 2019

Calvin Ball
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **Recitals**

2
3 In accordance with the provisions of Section 603 of the Charter of Howard County, Maryland
4 (the "Charter"), the County Executive has submitted a proposed Capital Budget for fiscal year 2020 to the
5 County Council of Howard County, Maryland, and prior to the passage of this Act, the County Council
6 has adopted a Capital Budget for the fiscal year ending June 30, 2020 (the "Capital Budget").

7 As a part of the Capital Budget for the fiscal year ending June 30, 2020, it is necessary that
8 Howard County, Maryland borrow a sum not exceeding \$1,757,000 to be used for payment of the costs of
9 certain County environmental services fund projects specified in the Capital Budget (each a "Project",
10 collectively, the "Projects"), which Projects are more particularly described in Appendix A attached
11 hereto and incorporated herein, and for payment of costs of issuance of any obligations issued to evidence
12 such borrowing.

13 **Now therefore, in accordance with the provisions of Article VI of the Charter of Howard**
14 **County, Maryland:**

15 **Section 1. Be it enacted by the County Council of Howard County, Maryland, That Howard**
16 **County, Maryland (the "County"), is hereby authorized and empowered to borrow on its full faith and**
17 **credit, and issue and sell its bonds or other obligations therefor, at one time or from time to time, an**
18 **aggregate principal amount not exceeding \$1,757,000, the proceeds thereof to be used to finance and**
19 **refinance the Projects more particularly specified and described in Appendix A attached hereto and in the**
20 **Capital Budget; including for each Project, without limitation, the cost of planning, design, construction,**
21 **reconstruction, furnishing, equipping, improvements, renovations, remodeling, enlargements, engineering**
22 **services, architects services, surveys, landscaping, site development, evaluation studies, land acquisition**
23 **and related items, appurtenances and incidental activities.**

24 Proceeds of any bonds or other obligations authorized by this Act may also be used to pay costs
25 of issuance of such bonds or other obligations.

1 **Section 2. And be it further enacted by the County Council of Howard County, Maryland,**
2 That, pursuant to and in accordance with Section 19-212 of the Local Government Article of the
3 Annotated Code of Maryland, as amended, the County is also authorized to issue bond anticipation notes
4 in anticipation of the issuance of the bonds or other obligations authorized by this Act and described in
5 Section 1 hereof, and all references to “bonds” or “obligations” shall include such bond anticipation
6 notes, unless the context clearly requires a contrary meaning. It is intended that the aggregate principal
7 amount of issued and outstanding bond anticipation notes when added to the aggregate principal amount
8 of issued and outstanding bonds in anticipation of which such notes were issued, shall not exceed the
9 aggregate principal amount set forth in Section 1 of this Act at any time. The County will agree in each
10 ordinance described in Section 4 of this Act relating to any notes issued pursuant to this Act to pay such
11 notes and the interest and premium, if any, thereon from the proceeds of the bonds in anticipation of the
12 sale of which such notes are issued and other available funds, and the County will agree to issue such
13 bonds when, and as soon as, the reason for deferring their issuance no longer exists.

14 **Section 3. And be it further enacted by the County Council of Howard County, Maryland,**
15 That, in connection with the acquisition of real property as part of a Project, the County may incur all or
16 any portion of the indebtedness authorized by this Act for such acquisition by entering into an installment
17 purchase agreement pursuant to and in accordance with Section 4.201A of the Howard County Code
18 (“Section 4.201A”) or any successor provisions of law in lieu of issuing bonds or other obligations for
19 such acquisition. The principal amount of any such installment purchase agreement shall not exceed the
20 lesser of (a) the maximum principal amount permitted by Section 4.201A or (b) the portion of the amount
21 to be borrowed for such Project (as set forth in Section 1 hereof) which relates to such acquisition. All
22 references to “bonds” or “obligations” in this Act shall include such installment purchase agreements,
23 unless the context clearly requires a contrary meaning.

24 **Section 4. And be it further enacted by the County Council of Howard County, Maryland,**
25 That the County Council of the County, by an ordinance or ordinances adopted from time to time in
26 accordance with Article VI of the Charter and other applicable provisions of law and the policies of the

1 County, shall provide for (a) the issuance and sale of, (b) the maximum principal amount, designation,
2 form, tenor and denomination or denominations of, (c) the dates of the first maturity (not more than two
3 years after the date of issue) and the last maturity (not more than 30 years after the date of issue) of, and
4 (d) the interest rate or rates per annum (or the method of determining such rate or rates) payable on, any
5 bonds or other obligations issued from time to time under this Act; and may by any such ordinance, or by
6 separate resolution, provide that the issue of bonds or other obligations hereby authorized be consolidated
7 with one or more other issues.

8 **Section 5. And be it further enacted by the County Council of Howard County, Maryland,**

9 That for the purpose of paying the principal of and interest on such bonds or other obligations as the same
10 shall become payable, the County Council of Howard County shall levy annually ad valorem taxes upon
11 the assessable property in the County sufficient, together with amounts held in the Environmental
12 Services Special Revenue Fund and other available funds, to pay the principal of and interest on such
13 bonds or other obligations until all of such bonds or other obligations shall mature and be redeemed.

14 **Section 6. And be it further enacted by the County Council of Howard County, Maryland,**

15 That any bonds or other obligations issued from time to time under this Act are specifically exempt from
16 the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of
17 Maryland, as amended, and any successor provision of law.

18 **Section 7. And be it further enacted by the County Council of Howard County, Maryland,**

19 That all bonds or other obligations authorized hereby shall be issued within four years from the date this
20 Act becomes effective. Notwithstanding the foregoing, if bond anticipation notes are issued within such
21 period in accordance with Section 2 hereof, the bonds or other obligations authorized hereby may be
22 issued until the final maturity date of such notes.

23 **Section 8. And be it further enacted by the County Council of Howard County, Maryland,**

24 That the County anticipates that a portion of the costs of some or all of the Projects may be paid prior to
25 the issuance of the bonds or other obligations authorized hereby. The amount of such costs so paid will
26 depend on various factors, including, without limitation, the timing and speed of progress on the Projects,

1 the availability of other funds to pay such costs on an interim basis, bond and money market conditions
2 and compliance with federal and State laws and regulations.

3 Accordingly, the County reasonably expects to reimburse costs of the Projects (as described
4 herein) with proceeds of the bonds or other obligations authorized hereby, such bonds or other obligations
5 to be issued by the County in the maximum principal amount of \$1,757,000.

6 **Section 9. And be it further enacted by the County Council of Howard County, Maryland,**
7 That this Act shall take effect sixty-one (61) days after its enactment.

Environmental Services Fund Projects

Project Description	Amount to be Borrowed (Reauthorizations)	Amount to be Borrowed (New Authorizations)
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C0299 FY2005 WASTE MANAGEMENT IMPROVEMENTS

A project for the design and construction of capital improvements at the Alpha Ridge Solid Waste Facility, New Cut and Carrs Mill Landfills.

\$- 0 -

\$1,757,000

Environmental Services Fund Projects – Reauthorizations/New Authorizations

\$- 0 -


\$1,757,000

TOTAL AMOUNT TO BE BORROWED:

\$1,757,000

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on June 5, 2019.


Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2019.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2019.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2019.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

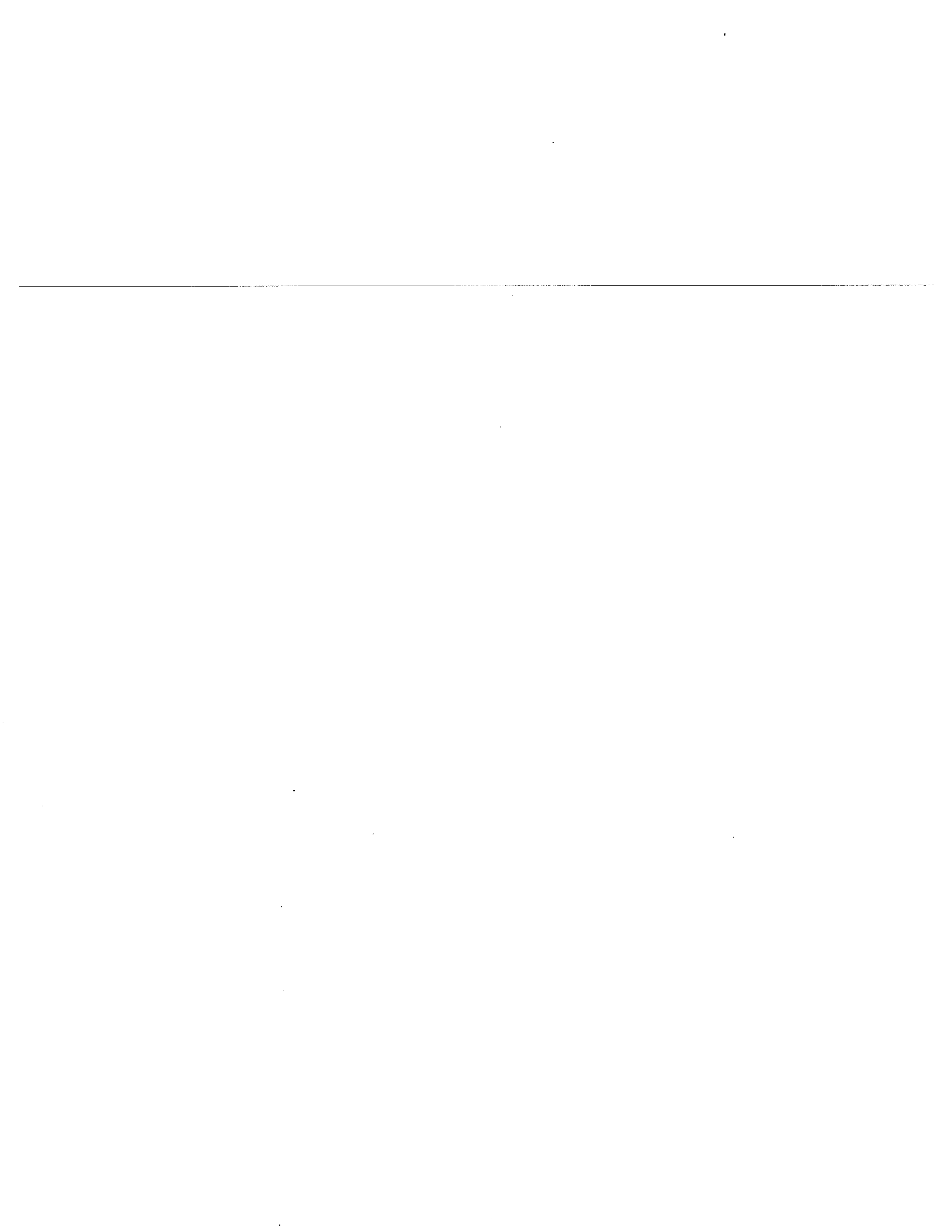
This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2019.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2019.

Jessica Feldmark, Administrator to the County Council





Howard County Citizens Association

Since 1961...

The Voice Of The People of Howard County

Date: 20 May 2019

Subject: HCCA Testimony Regarding CB25 thru 29-2019

The Howard County Citizens Association is concerned and alarmed at the amount of debt being proposed by bills 25 through 29. The bills propose nearly \$225.5 million in debt for costs associated with public facilities on the backs of the taxpayer.

We think this level of debt is unsustainable, especially when considering its cause. For many years, the county has subsidized developer profits through intangible economic benefits due to favorable zoning and land use regulations as well as direct financial subsidies through low school impact fees, low moderate income housing fee-in-lieu, and tax increment financing.

Since 2011, more than 61% of the capital budget is financed through debt, while the average annual developer contribution is 1.79%. Howard County has spent an average of \$100 million per year since 2011 to service these debts.

Radio personality Marc Steiner once said "developers are the defense industry of local governments". Like the defense industry, developers have a strangle hold county government. So much so that county departments such as department of planning and zoning serve more like facilitators of development rather than regulators.

Take for example the developer rights and responsibility agreement between Howard County and Chase Land on Mission Road. This DRRA, which bequests an incredible amount of economic benefits to the developer, was approved despite the serious flaws. It was also discovered that Department of Public Works failed to follow the open bid law for a large project related to the land clearing, which further costs the taxpayer more money.

Howard County's glaring practice of subsidizing developers is best on display with the developer school surcharge fees.

In 2004, the Maryland State Legislature enacted a law that enabled Howard County to charge Developers surcharge fees. The fee was set at an arbitrary value of \$1 per square foot, using only the opinions of economist Anirbarn Basu, whose firm Sage Policy Group conducted a study for the Maryland Builders Association, in response to a slew of impact fee legislation adopted by several Maryland Counties.

At the time, he said, "What we have found is that new development tends to more than pay for itself and disproportionately finances the growth in government..."

He and many others were wrong, but the county still continues to follow the orthodoxy that residential development is a net source of positive revenue.

HCCA supports and in fact expects the county to pay for its obligations. However, it does not support the county pay developers' obligations. Furthermore, HCCA expects county leaders to learn from past mistakes.

One way the county can prevent future mistakes is to require a fiscal and economic impact statement with every zoning and land use decision. The voter finds it difficult to understand the impact of these decisions and the fiscal and economic impact statement, with a clear and

transparent methodology would change the discussion and perhaps improve the decision making process. We urge you to enact such a law.

Thanks for listening and hopefully action will be taken.

Hiruy Hadgu

HCCA Board of Director