

SENATE BILL 500

P1, R2
SB 379/15 – FIN

6lr2611

By: **Senator Salling**

Introduced and read first time: February 3, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Francis Scott Key Bridge Authority**

3 FOR the purpose of establishing the Francis Scott Key Bridge Authority to finance,
4 construct, operate, and maintain the Francis Scott Key Bridge; providing for the
5 members, appointment, terms, chair, and staff of the Authority; prohibiting the
6 Maryland Department of Transportation from exercising jurisdiction or authority
7 over the Francis Scott Key Bridge; authorizing the Authority to take certain actions
8 in the performance of its duties; authorizing the Authority to issue revenue bonds
9 payable from certain fees and tolls for the purpose of financing the Bridge; providing
10 that bonds issued by the Authority do not constitute a debt or pledge of the full faith
11 and credit of the State or a political subdivision of the State; providing that bonds
12 issued by the Authority do not obligate the State or a political subdivision of the
13 State to impose any tax; requiring the Authority to determine certain matters
14 concerning bonds issued by the Authority; providing for the issuance and execution
15 of the bonds; authorizing the Authority to issue bonds to refinance the cost of the
16 Bridge; authorizing the Authority to issue revenue refunding bonds for certain
17 purposes; authorizing the Authority to issue interim certificates or temporary bonds;
18 authorizing the Authority to issue bond anticipation notes; authorizing revenue
19 bonds issued by the Authority to be secured by certain trust agreements; requiring
20 certain fees and tolls designated by the Authority as security for bonds to be adjusted
21 in a certain manner; providing that certain revenues of the Authority shall be
22 deemed to be trust funds to be used only in a certain manner; authorizing the trustee
23 or a holder of revenue bonds issued by the Authority to bring a legal action to enforce
24 certain rights and compel the performance of certain duties; providing that bonds
25 issued by the Authority are securities in which certain persons may invest and which
26 may be deposited with certain persons; exempting revenue bonds issued by the
27 Authority from taxation; defining certain terms; and generally relating to the
28 establishment of the Francis Scott Key Bridge Authority to finance, construct,
29 operate, and maintain the Francis Scott Key Bridge.

30 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Transportation
 2 Section 4–101(h)(1)
 3 Annotated Code of Maryland
 4 (2015 Replacement Volume and 2015 Supplement)

5 BY adding to
 6 Article – Transportation
 7 Section 4.5–101 through 4.5–412 to be under the new title “Title 4.5. Francis Scott
 8 Key Bridge Authority”
 9 Annotated Code of Maryland
 10 (2015 Replacement Volume and 2015 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 12 That the Laws of Maryland read as follows:

13 **Article – Transportation**

14 4–101.

15 (h) “Transportation facilities project” includes:

16 (1) The Susquehanna River Bridge, the Harry W. Nice Memorial Potomac
 17 River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel
 18 Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Fort McHenry Tunnel, [the
 19 Francis Scott Key Bridge,] and the John F. Kennedy Memorial Highway, together with
 20 their appurtenant causeways, approaches, interchanges, entrance plazas, toll stations, and
 21 service facilities;

22 **TITLE 4.5. FRANCIS SCOTT KEY BRIDGE AUTHORITY.**

23 **SUBTITLE 1. DEFINITIONS.**

24 **4.5–101.**

25 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 26 INDICATED.

27 (B) “AUTHORITY” MEANS THE FRANCIS SCOTT KEY BRIDGE AUTHORITY.

28 (C) “BRIDGE” MEANS THE FRANCIS SCOTT KEY BRIDGE.

29 (D) “COST” HAS THE MEANING STATED IN § 4–101 OF THIS ARTICLE.

30 **SUBTITLE 2. FRANCIS SCOTT KEY BRIDGE AUTHORITY.**

1 4.5-201.

2 THERE IS A FRANCIS SCOTT KEY BRIDGE AUTHORITY.

3 4.5-202.

4 (A) THE AUTHORITY CONSISTS OF 11 MEMBERS AS FOLLOWS:

5 (1) TWO MEMBERS APPOINTED BY THE COUNTY EXECUTIVE OF
6 BALTIMORE COUNTY, SUBJECT TO THE CONFIRMATION OF THE COUNTY COUNCIL;

7 (2) TWO MEMBERS APPOINTED BY THE MAYOR OF BALTIMORE CITY,
8 SUBJECT TO THE CONFIRMATION OF THE CITY COUNCIL;

9 (3) TWO MEMBERS APPOINTED BY THE COUNTY EXECUTIVE OF ANNE
10 ARUNDEL COUNTY, SUBJECT TO THE CONFIRMATION OF THE COUNTY COUNCIL;
11 AND

12 (4) FIVE MEMBERS APPOINTED BY THE GOVERNOR, SUBJECT TO THE
13 ADVICE AND CONSENT OF THE SENATE.

14 (B) THE GOVERNOR SHALL DESIGNATE THE CHAIR OF THE AUTHORITY
15 FROM AMONG THE APPOINTED MEMBERS OF THE AUTHORITY, WITH THE
16 CONCURRENCE OF THE MEMBERS OF THE AUTHORITY.

17 (C) EACH MEMBER OF THE AUTHORITY SERVES FOR A TERM OF 4 YEARS
18 AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

19 (D) THE TERMS OF THE MEMBERS OF THE AUTHORITY BEGIN ON JUNE 1 IN
20 THE YEAR OF APPOINTMENT.

21 (E) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM
22 SERVES ONLY FOR THE REMAINDER OF THAT TERM.

23 (F) A MEMBER OF THE AUTHORITY IS ENTITLED TO REIMBURSEMENT FOR
24 EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN
25 THE STATE BUDGET.

26 4.5-203.

27 THE AUTHORITY IS ENTITLED TO THE STAFF AUTHORIZED IN THE STATE
28 BUDGET.

1 **SUBTITLE 4. FINANCING OF THE FRANCIS SCOTT KEY BRIDGE.**

2 **4.5-401.**

3 **(A) TO FINANCE THE COST OF THE BRIDGE, THE AUTHORITY MAY ISSUE**
4 **REVENUE BONDS, NOTES, OR OTHER EVIDENCE OF OBLIGATION, PAYABLE SOLELY**
5 **FROM THE RENTALS, RATES, FEES, AND TOLLS THE AUTHORITY IS EMPOWERED TO**
6 **IMPOSE UNDER THIS TITLE.**

7 **(B) BOND PROCEEDS SHALL BE USED SOLELY FOR PAYING THE COST OF**
8 **THE BRIDGE.**

9 **4.5-402.**

10 **(A) BONDS ISSUED BY THE AUTHORITY UNDER THIS SUBTITLE MAY NOT:**

11 **(1) CONSTITUTE A DEBT OF THE STATE OR A POLITICAL SUBDIVISION**
12 **OF THE STATE OTHER THAN THE AUTHORITY AND SHALL SO STATE ON THEIR FACE;**

13 **(2) CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE**
14 **STATE OR A POLITICAL SUBDIVISION OF THE STATE; OR**

15 **(3) DIRECTLY OR INDIRECTLY OBLIGATE THE STATE OR A POLITICAL**
16 **SUBDIVISION OF THE STATE TO IMPOSE ANY TAX AND SHALL CONTAIN A STATEMENT**
17 **TO THAT EFFECT ON THE FACE OF THE BONDS.**

18 **(B) THE AUTHORITY SHALL DETERMINE THE FOLLOWING CONCERNING**
19 **BONDS ISSUED BY THE AUTHORITY:**

20 **(1) DATE OF ISSUE;**

21 **(2) INTEREST RATE;**

22 **(3) DATE AND AMOUNT OF MATURITY, EXCEPT THAT A BOND MAY NOT**
23 **MATURE LATER THAN 40 YEARS AFTER ITS DATE OF ISSUE;**

24 **(4) FORM AND MANNER OF EXECUTION;**

25 **(5) MANNER OF SALE; AND**

26 **(6) ANY OTHER MATTER RELATING TO THE FORM, TERMS,**
27 **CONDITIONS, ISSUANCE, SALE, AND DELIVERY OF THE BONDS.**

1 **(C) THE AUTHORITY MAY ISSUE BONDS:**

2 **(1) WITHOUT OBTAINING THE CONSENT OF ANY INSTRUMENTALITY,**
3 **AGENCY, OR UNIT OF THE STATE; AND**

4 **(2) WITHOUT ANY PROCEEDINGS OR THE HAPPENING OF ANY**
5 **CONDITIONS OR THINGS OTHER THAN THOSE SPECIFICALLY REQUIRED BY THIS**
6 **SUBTITLE.**

7 **(D) (1) CONSOLIDATED TRANSPORTATION BONDS SHALL BE EXECUTED**
8 **ON BEHALF OF THE AUTHORITY BY THE MANUAL OR FACSIMILE SIGNATURE OF THE**
9 **CHAIR OF THE AUTHORITY.**

10 **(2) OTHER SIGNATURES ON THE BONDS MAY BE EITHER MANUAL OR**
11 **FACSIMILE.**

12 **(E) IF AN INDIVIDUAL WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS**
13 **ON ANY BOND OR COUPON CEASES TO SERVE IN AN AUTHORIZED CAPACITY BEFORE**
14 **THE DELIVERY OF THE BOND, THE SIGNATURE NEVERTHELESS IS AS VALID AND**
15 **SUFFICIENT FOR ALL PURPOSES AS IF THE INDIVIDUAL HAD REMAINED IN THAT**
16 **CAPACITY UNTIL DELIVERY OF THE BOND.**

17 **4.5-403.**

18 **(A) WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY, THE**
19 **AUTHORITY MAY ISSUE BONDS TO REFINANCE ALL OR ANY PART OF THE COST OF**
20 **THE BRIDGE FOR WHICH THE AUTHORITY PREVIOUSLY ISSUED BONDS UNDER THIS**
21 **SUBTITLE.**

22 **(B) IF, BY REASON OF INCREASED CONSTRUCTION COSTS, ERROR IN**
23 **ESTIMATES, OR OTHERWISE, THE PROCEEDS OF THE REVENUE BONDS OF ANY ISSUE**
24 **ARE LESS THAN THE AMOUNT REQUIRED FOR THE PURPOSE FOR WHICH THE BONDS**
25 **ARE AUTHORIZED, ADDITIONAL REVENUE BONDS MAY BE ISSUED IN A SIMILAR**
26 **MANNER TO PROVIDE THE AMOUNT OF THE DEFICIENCY.**

27 **4.5-404.**

28 **(A) IN THIS SECTION, "REFUNDING" MEANS THE RETIREMENT AND**
29 **CANCELLATION OF BONDS, INCLUDING REVENUE BONDS OF PRIOR ISSUES, AFTER**
30 **THEIR ACQUISITION BY OR FOR THE AUTHORITY, WHETHER BEFORE, AT, OR AFTER**
31 **MATURITY, EITHER IN EXCHANGE FOR OTHER BONDS OR BY PAYMENT, PURCHASE,**
32 **OR REDEMPTION WITH THE PROCEEDS OF THE SALE OF OTHER BONDS.**

33 **(B) THE AUTHORITY MAY ISSUE REVENUE REFUNDING BONDS FOR:**

1 **(1) REFUNDING ANY BONDS ISSUED UNDER THIS SUBTITLE OR ANY**
2 **REVENUE BONDS OF PRIOR ISSUES, INCLUDING THE PAYMENT OF ANY REDEMPTION**
3 **PREMIUM ON THE BONDS AND ANY INTEREST ACCRUED OR TO ACCRUE TO THE DATE**
4 **OF REDEMPTION OF THE BONDS; AND**

5 **(2) CONSTRUCTING IMPROVEMENTS OR EXTENSIONS TO OR**
6 **ENLARGEMENTS OF THE BRIDGE.**

7 **4.5-405.**

8 **BEFORE THE PREPARATION OF DEFINITIVE BONDS, THE AUTHORITY MAY**
9 **ISSUE INTERIM CERTIFICATES OR TEMPORARY BONDS, WITH OR WITHOUT**
10 **COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE DEFINITIVE BONDS**
11 **HAVE BEEN EXECUTED AND ARE AVAILABLE FOR DELIVERY.**

12 **4.5-406.**

13 **(A) THE AUTHORITY MAY ISSUE BOND ANTICIPATION NOTES PAYABLE TO**
14 **THE BEARER OR REGISTERED HOLDER OF THE NOTES OUT OF THE FIRST PROCEEDS**
15 **OF THE NEXT SALE OF BONDS ISSUED UNDER THIS SUBTITLE.**

16 **(B) THE ISSUANCE OF BOND ANTICIPATION NOTES, THE DETAILS OF THEIR**
17 **ISSUANCE, THE RIGHTS OF THEIR HOLDERS, AND THE RIGHTS, DUTIES, AND**
18 **OBLIGATIONS OF THE AUTHORITY IN THAT RESPECT ARE GOVERNED BY THE**
19 **PROVISIONS OF THIS SUBTITLE RELATING TO THE ISSUANCE OF THE BONDS IN**
20 **ANTICIPATION OF THE SALE OF WHICH THE NOTES ARE ISSUED, INsofar AS THOSE**
21 **PROVISIONS ARE APPLICABLE.**

22 **4.5-407.**

23 **(A) REVENUE BONDS ISSUED UNDER THIS SUBTITLE MAY BE SECURED BY A**
24 **TRUST AGREEMENT BETWEEN THE AUTHORITY AND A CORPORATE TRUSTEE, WHICH**
25 **MAY BE ANY TRUST COMPANY OR BANK HAVING TRUST POWERS WITHIN OR OUTSIDE**
26 **THE STATE.**

27 **(B) THE TRUST AGREEMENT MAY PLEDGE OR ASSIGN ALL OR ANY PART OF**
28 **THE REVENUES OF THE AUTHORITY OR OF THE BRIDGE BUT MAY NOT MORTGAGE**
29 **ANY PART OF THE BRIDGE.**

30 **4.5-408.**

31 **THE RENTALS, RATES, FEES, AND TOLLS DESIGNATED AS SECURITY FOR**
32 **BONDS ISSUED UNDER THIS SUBTITLE SHALL BE FIXED AND ADJUSTED SO AS TO**

1 PROVIDE FUNDS THAT ARE SUFFICIENT AS LONG AS THE BONDS ARE OUTSTANDING
2 AND UNPAID TO PAY THE PRINCIPAL OF AND THE INTEREST ON THE BONDS AS THEY
3 BECOME DUE AND PAYABLE.

4 **4.5-409.**

5 ALL MONEY THAT IS RECEIVED BY THE AUTHORITY AS PROCEEDS FROM THE
6 SALE OF REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF OBLIGATION UNDER
7 THIS SUBTITLE AND BY WAY OF RENTALS, RATES, FEES, AND TOLLS THAT IS
8 DESIGNATED BY ANY TRUST AGREEMENT AS SECURITY FOR THE BONDS, NOTES, OR
9 OTHER EVIDENCES OF OBLIGATION SHALL BE DEEMED TO BE TRUST FUNDS TO BE
10 HELD AND APPLIED ONLY AS PROVIDED IN THIS SUBTITLE.

11 **4.5-410.**

12 EXCEPT TO THE EXTENT RESTRICTED BY THE TRUST AGREEMENT, THE
13 TRUSTEE OR ANY HOLDER OF REVENUE BONDS ISSUED UNDER THIS SUBTITLE OR
14 OF ANY OF THE COUPONS APPERTAINING TO THE BONDS MAY:

15 (1) BRING A SUIT OR OTHER PROCEEDING TO PROTECT AND
16 ENFORCE ANY RIGHT UNDER THE LAWS OF THE STATE OR UNDER THE TRUST
17 AGREEMENT; AND

18 (2) ENFORCE AND COMPEL THE PERFORMANCE OF ALL DUTIES
19 REQUIRED BY THIS SUBTITLE OR BY THE TRUST AGREEMENT TO BE PERFORMED BY
20 THE AUTHORITY OR BY ANY OF ITS OFFICERS, INCLUDING THE FIXING, CHARGING,
21 IMPOSING, AND COLLECTING OF RENTALS, RATES, FEES, AND TOLLS.

22 **4.5-411.**

23 BONDS ISSUED UNDER THIS SUBTITLE ARE SECURITIES:

24 (1) IN WHICH ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE
25 STATE AND ITS POLITICAL SUBDIVISIONS, ALL INSURANCE COMPANIES, STATE
26 BANKS AND TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS, SAVINGS
27 BANKS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, EXECUTORS,
28 ADMINISTRATORS, TRUSTEES, AND OTHER FIDUCIARIES MAY PROPERLY AND
29 LEGALLY INVEST FUNDS, INCLUDING CAPITAL IN THEIR CONTROL OR BELONGING
30 TO THEM; AND

31 (2) THAT MAY BE PROPERLY AND LEGALLY DEPOSITED WITH AND
32 RECEIVED BY ANY STATE OR COUNTY OFFICER OR ANY AGENCY OR POLITICAL
33 SUBDIVISION OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS
34 OR OBLIGATIONS OF THE STATE IS AUTHORIZED BY LAW.

1 4.5-412.

2 THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION
3 ISSUED UNDER THIS SUBTITLE, THEIR TRANSFER, THE INTEREST PAYABLE ON
4 THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT REALIZED
5 IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT FROM TAXATION BY THE STATE OR
6 ANY OF ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC
7 AGENCIES.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2016.