

SENATE BILL 824

P1, R2
SB 15/ISS11 – SRU

2lr1460

By: **Senators Pipkin, Brinkley, Colburn, and Getty**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation and Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Chesapeake Bay Bridge Authority**

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the creation of the Chesapeake Bay Bridge Authority to finance, construct,
2 operate, and maintain certain transportation facilities projects.

3 BY repealing and reenacting, with amendments,
4 Article – Transportation
5 Section 4–101(h)(1)
6 Annotated Code of Maryland
7 (2008 Replacement Volume and 2011 Supplement)

8 BY adding to
9 Article – Transportation
10 Section 4.5–101 through 4.5–412 to be under the new title “Title 4.5.
11 Chesapeake Bay Bridge Authority”
12 Annotated Code of Maryland
13 (2008 Replacement Volume and 2011 Supplement)

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

16 **Article – Transportation**

17 4–101.

18 (h) “Transportation facilities project” includes:

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

25 **TITLE 4.5. CHESAPEAKE BAY BRIDGE AUTHORITY.**

26 **SUBTITLE 1. DEFINITIONS.**

27 **4.5–101.**

28 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
29 INDICATED.

30 (B) “AUTHORITY” MEANS THE CHESAPEAKE BAY BRIDGE AUTHORITY.

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

1 (D) “TRANSPORTATION FACILITY PROJECT” MEANS THE WILLIAM
2 PRESTON LANE, JR. MEMORIAL CHESAPEAKE BAY BRIDGE AND THE
3 PARALLEL CHESAPEAKE BAY BRIDGE.

4 SUBTITLE 2. CHESAPEAKE BAY BRIDGE AUTHORITY.

5 4.5–201.

6 THERE IS A CHESAPEAKE BAY BRIDGE AUTHORITY.

7 4.5–202.

8 (A) THE CHESAPEAKE BAY BRIDGE AUTHORITY CONSISTS OF 11
9 MEMBERS AS FOLLOWS:

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

13 (2) TWO MEMBERS APPOINTED BY THE COUNTY COMMISSIONERS
14 OF QUEEN ANNE’S COUNTY;

15 (3) ONE MEMBER APPOINTED BY THE COUNTY COMMISSIONERS
16 OF CAROLINE COUNTY;

17 (4) ONE MEMBER APPOINTED BY THE COUNTY COMMISSIONERS
18 OF KENT COUNTY;

19 (5) ONE MEMBER APPOINTED BY THE COUNTY COMMISSIONERS
20 OF TALBOT COUNTY; AND

21 (6) FOUR MEMBERS APPOINTED BY THE GOVERNOR, SUBJECT TO
22 THE ADVICE AND CONSENT OF THE SENATE.

23 (B) THE GOVERNOR SHALL DESIGNATE THE CHAIR OF THE AUTHORITY
24 FROM AMONG THE APPOINTED MEMBERS OF THE AUTHORITY, WITH THE
25 CONCURRENCE OF THE MEMBERS OF THE AUTHORITY.

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

28 (D) THE TERMS OF THE MEMBERS OF THE AUTHORITY BEGIN ON JUNE
29 1 IN THE YEAR OF APPOINTMENT.

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

3 **(F) A MEMBER OF THE AUTHORITY IS ENTITLED TO REIMBURSEMENT**
4 **FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS**
5 **PROVIDED IN THE STATE BUDGET.**

6 **4.5-203.**

7 **THE AUTHORITY IS ENTITLED TO THE STAFF PROVIDED IN THE STATE**
8 **BUDGET.**

9 **SUBTITLE 3. JURISDICTION AND POWERS.**

10 **4.5-301.**

11 **(A) THE AUTHORITY SHALL:**

12 **(1) FINANCE, CONSTRUCT, OPERATE, REPAIR, AND MAINTAIN IN**
13 **GOOD ORDER A TRANSPORTATION FACILITY PROJECT; AND**

14 **(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, HAVE**
15 **GENERAL AND EXCLUSIVE JURISDICTION OVER A TRANSPORTATION FACILITY**
16 **PROJECT.**

17 **(B) THE DEPARTMENT MAY NOT EXERCISE JURISDICTION OR**
18 **AUTHORITY OVER A TRANSPORTATION FACILITY PROJECT.**

19 **4.5-302.**

20 **THE AUTHORITY MAY UNDERTAKE THE FOLLOWING ACTIONS IN THE**
21 **EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES:**

22 **(1) ACQUIRE, HOLD, AND DISPOSE OF PROPERTY;**

23 **(2) SUE AND BE SUED IN ITS OWN NAME;**

24 **(3) MAKE CONTRACTS AND AGREEMENTS;**

25 **(4) EMPLOY AND FIX THE COMPENSATION OF ATTORNEYS,**
26 **CONSULTING ENGINEERS, ACCOUNTANTS, CONSTRUCTION AND FINANCIAL**
27 **EXPERTS, MANAGERS, AND ANY OTHER AGENTS OR EMPLOYEES;**

1 **(5) APPLY FOR AND RECEIVE GRANTS FROM A FEDERAL AGENCY**
2 **OR ANY OTHER SOURCE;**

3 **(6) CONDEMN PROPERTY IN ACCORDANCE WITH TITLE 12 OF THE**
4 **REAL PROPERTY ARTICLE;**

5 **(7) FIX, REVISE, CHARGE, AND COLLECT RENTALS, RATES, FEES,**
6 **TOLLS, AND OTHER CHARGES FOR THE USE OF ITS TRANSPORTATION FACILITY**
7 **PROJECT OR SERVICES; AND**

8 **(8) ADOPT RULES AND REGULATIONS TO CARRY OUT THE**
9 **PROVISIONS OF THIS TITLE.**

10 **SUBTITLE 4. FINANCING OF A TRANSPORTATION FACILITY PROJECT.**

11 **4.5-401.**

12 **(A) TO FINANCE THE COST OF A TRANSPORTATION FACILITY PROJECT,**
13 **THE AUTHORITY MAY ISSUE REVENUE BONDS, NOTES, OR OTHER EVIDENCE OF**
14 **OBLIGATION, PAYABLE SOLELY FROM THE RENTALS, RATES, FEES, AND TOLLS**
15 **THE AUTHORITY IS EMPOWERED TO IMPOSE UNDER THIS TITLE.**

16 **(B) BOND PROCEEDS MAY BE USED SOLELY FOR PAYING THE COST OF A**
17 **TRANSPORTATION FACILITY PROJECT.**

18 **4.5-402.**

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

21 **(1) CONSTITUTE A DEBT OF THE STATE OR A POLITICAL**
22 **SUBDIVISION OF THE STATE OTHER THAN THE AUTHORITY, AND SHALL SO**
23 **STATE ON THEIR FACE;**

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

26 **(3) DIRECTLY OR INDIRECTLY OBLIGATE THE STATE OR A**
27 **POLITICAL SUBDIVISION OF THE STATE TO IMPOSE ANY TAX AND SHALL**
28 **CONTAIN A STATEMENT ON THEIR FACE TO THAT EFFECT.**

29 **(B) THE AUTHORITY SHALL DETERMINE THE FOLLOWING CONCERNING**
30 **BONDS ISSUED BY THE AUTHORITY:**

- 1 **(1) DATE OF ISSUE;**
- 2 **(2) INTEREST RATE;**
- 3 **(3) DATE AND AMOUNT OF MATURITY, EXCEPT THAT A BOND MAY**
4 **NOT MATURE MORE THAN 40 YEARS AFTER ITS DATE OF ISSUE;**
- 5 **(4) FORM AND MANNER OF EXECUTION;**
- 6 **(5) MANNER OF SALE; AND**
- 7 **(6) ANY OTHER MATTER RELATING TO THE FORM, TERMS,**
8 **CONDITIONS, ISSUANCE, SALE, AND DELIVERY OF THE BONDS.**

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

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

12 **(2) WITHOUT ANY PROCEEDINGS OR THE HAPPENING OF ANY**
13 **CONDITIONS OR THINGS OTHER THAN THOSE SPECIFICALLY REQUIRED BY THIS**
14 **SUBTITLE.**

15 **(D) (1) CONSOLIDATED TRANSPORTATION BONDS SHALL BE**
16 **EXECUTED ON BEHALF OF THE AUTHORITY BY THE MANUAL OR FACSIMILE**
17 **SIGNATURE OF THE CHAIR OF THE AUTHORITY.**

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

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

25 **4.5-403.**

26 **(A) WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY, THE**
27 **AUTHORITY MAY ISSUE BONDS TO REFINANCE ALL OR ANY PART OF THE COST**
28 **OF THE TRANSPORTATION FACILITY PROJECT FOR WHICH THE AUTHORITY**
29 **PREVIOUSLY ISSUED BONDS UNDER THIS SUBTITLE.**

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

6 **4.5-404.**

7 **(A) IN THIS SECTION, “REFUNDING” MEANS THE RETIREMENT AND**
8 **CANCELLATION OF BONDS, INCLUDING REVENUE BONDS OF PRIOR ISSUES,**
9 **AFTER THEIR ACQUISITION BY OR FOR THE AUTHORITY, WHETHER BEFORE, AT,**
10 **OR AFTER MATURITY, EITHER IN EXCHANGE FOR OTHER BONDS OR BY**
11 **PAYMENT, PURCHASE, OR REDEMPTION WITH THE PROCEEDS OF THE SALE OF**
12 **OTHER BONDS.**

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

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

18 **(2) CONSTRUCTING IMPROVEMENTS OR EXTENSIONS TO OR**
19 **ENLARGEMENTS OF A TRANSPORTATION FACILITY PROJECT.**

20 **4.5-405.**

21 **BEFORE THE PREPARATION OF DEFINITIVE BONDS, THE AUTHORITY MAY**
22 **ISSUE INTERIM CERTIFICATES OR TEMPORARY BONDS, WITH OR WITHOUT**
23 **COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE DEFINITIVE**
24 **BONDS HAVE BEEN EXECUTED AND ARE AVAILABLE FOR DELIVERY.**

25 **4.5-406.**

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

29 **(B) THE ISSUANCE OF BOND ANTICIPATION NOTES, THE DETAILS OF**
30 **THEIR ISSUANCE, THE RIGHTS OF THEIR HOLDERS, AND THE RIGHTS, DUTIES,**
31 **AND OBLIGATIONS OF THE AUTHORITIES WITH RESPECT TO THEM ARE**
32 **GOVERNED BY THE PROVISIONS OF THIS SUBTITLE RELATING TO THE ISSUANCE**
33 **OF THE BONDS IN ANTICIPATION OF THE SALE OF WHICH THE NOTES ARE**
34 **ISSUED, INsofar AS THOSE PROVISIONS ARE APPLICABLE.**

1 **4.5-407.**

2 (A) REVENUE BONDS ISSUED UNDER THIS SUBTITLE MAY BE SECURED
3 BY A TRUST AGREEMENT BETWEEN THE AUTHORITY AND A CORPORATE
4 TRUSTEE, WHICH MAY BE ANY TRUST COMPANY OR BANK HAVING TRUST
5 POWERS WITHIN OR WITHOUT THE STATE.

6 (B) THE TRUST AGREEMENT MAY PLEDGE OR ASSIGN ALL OR ANY PART
7 OF THE REVENUES OF THE AUTHORITY OR OF A TRANSPORTATION FACILITY
8 PROJECT BUT MAY NOT MORTGAGE ANY PART OF A TRANSPORTATION FACILITY
9 PROJECT.

10 **4.5-408.**

11 THE RENTALS, RATES, FEES, AND TOLLS DESIGNATED AS SECURITY FOR
12 BONDS ISSUED UNDER THIS SUBTITLE SHALL BE FIXED AND ADJUSTED SO AS TO
13 PROVIDE FUNDS THAT ARE SUFFICIENT AS LONG AS THE BONDS ARE
14 OUTSTANDING AND UNPAID TO PAY THE PRINCIPAL OF AND THE INTEREST ON
15 THE BONDS AS THEY BECOME DUE AND PAYABLE.

16 **4.5-409.**

17 ALL MONEY THAT IS RECEIVED BY THE AUTHORITY AS PROCEEDS FROM
18 THE SALE OF REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF OBLIGATION
19 UNDER THIS SUBTITLE AND BY WAY OF RENTALS, RATES, FEES, AND TOLLS THAT
20 IS DESIGNATED BY ANY TRUST AGREEMENT AS SECURITY FOR THE BONDS,
21 NOTES, OR OTHER EVIDENCES OF OBLIGATION SHALL BE DEEMED TO BE TRUST
22 FUNDS TO BE HELD AND APPLIED ONLY AS PROVIDED IN THIS SUBTITLE.

23 **4.5-410.**

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

27 (1) BRING A SUIT OR OTHER PROCEEDING TO PROTECT AND
28 ENFORCE ANY RIGHT UNDER THE LAWS OF THE STATE OR UNDER THE TRUST
29 AGREEMENT; AND

30 (2) ENFORCE AND COMPEL THE PERFORMANCE OF ALL DUTIES
31 REQUIRED BY THIS SUBTITLE OR BY THE TRUST AGREEMENT TO BE
32 PERFORMED BY THE AUTHORITIES OR BY ANY OF THEIR OFFICERS, INCLUDING

1 THE FIXING, CHARGING, IMPOSING, AND COLLECTING OF RENTALS, RATES,
2 FEES, AND TOLLS.

3 4.5-411.

4 BONDS ISSUED UNDER THIS SUBTITLE ARE SECURITIES:

5 (1) IN WHICH ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE
6 STATE AND ITS POLITICAL SUBDIVISIONS, ALL INSURANCE COMPANIES, STATE
7 BANKS AND TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS, SAVINGS
8 BANKS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES,
9 EXECUTORS, ADMINISTRATORS, TRUSTEES, AND OTHER FIDUCIARIES MAY
10 PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPITAL IN THEIR
11 CONTROL OR BELONGING TO THEM; AND

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

16 4.5-412.

17 THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION
18 ISSUED UNDER THIS SUBTITLE, THEIR TRANSFER, THE INTEREST PAYABLE ON
19 THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT
20 REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT FROM TAXATION BY
21 THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, MUNICIPAL
22 CORPORATIONS, OR PUBLIC AGENCIES.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 June 1, 2012.