

CA-1-23

Finances - Third-Party Indebtedness and Bonds

AMENDMENT 1 – ALD. ARNETT

Amendment Summary: Expands the type of bonds that the City can issue on behalf of a third party. The State of Maryland limits bonds issued under local authority. The amendment includes all bonds that are allowed for local municipalities under Maryland Economic Statutes in Division I and Division II.

On page 2, line 17, strike "Maryland Economic Development" and in "Bond" insert lower-case "b".

On page 2, line 19, after "Act" insert ", Maryland Economic Development Corporation, Maryland Industrial Development Financing Authority, or other authorities under Maryland Economic Development Statutes § Division I and II"

On page 2, line 23-24 strike "under the Maryland Economic Development Revenue Bond Act"

(The amendment section is in black bold)

C. ~~Maryland Economic Development Revenue Bond~~ **fees.**

1. **Application fee.** Each borrower under the Maryland Economic Development Revenue Bond Act, Maryland Economic Development Corporation, Maryland Industrial Development Financing Authority, or other authorities under Maryland Economic Development Statutes § Division I and II shall pay to the City, upon submission of the application for initial funding or refinancing of an existing bond, an application fee established by annual resolution of the City Council and set forth in the fees schedule which shall be credited against the issuer fee if the loan is approved and closes.
2. **Issuer fee.** Each borrower ~~under the Maryland Economic Development Revenue Bond Act~~ shall pay to the City an issuer fee calculated by bond counsel:
 - a. At the time of closing on the economic development revenue bond loan in an amount equal to:
 - i. 0.125% of the principal amount of bonds issued for new projects; or
 - ii. 0.25% of the principal amount of bond proceeds approved for refunding;
 - or

- iii. A combination of the amounts determined under subsections (2)(a)(i) and (2)(a)(ii) that is based on the portion of the loan used for new projects and refunding when the loan is used in part for new projects and in part for refunding; or
 - iv. In an amount equal to a yield of 0.125% per year on the principal amount of the loan at the times set forth in the loan documents.
 - b. In such other fee structure as may be agreed to by the City and the third party and as set forth in the related loan documents.