CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG Mayor



DEPARTMENT OF LAW DANA P. MOORE, ACTING CITY SOLICITOR 100 N. HOLLIDAY STREET SUITE 101, CITY HALL BALTIMORE, MD 21202

April 29, 2020

The Honorable President and Members of the Baltimore City Council Room 409, City Hall 100 N. Holliday Street Baltimore, Maryland 21202

Re: Mayor and City Council Bill 20-0517 – Bond Issue – Public Infrastructure Loan – \$72,000,000

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 20-0517 (Public Infrastructure Loan – \$72,000,000) for form and legal sufficiency. The bill would authorize the Mayor and City Council to create a debt not exceeding \$72,000,000 (the "Debt") for the public infrastructure purposes that are outlined in the House Resolution IV and Senate Resolution IV of the General Assembly's 2020 Legislative Session. The bill also contains provisions concerning the use of the funds, the issuance of the bonds, and other related matters.

Section 7 of Article XI of the Constitution of Maryland prevents the Mayor and City Council of Baltimore from creating general obligation debt that is secured by the full faith and credit of the City without having the proposal first be "(1) presented to and approved by a majority of the members of the General Assembly representing Baltimore City no later than the 30th day of the regular session of the General Assembly immediately preceding its submission to the voters, or (2) authorized by an act of the General Assembly." The aforementioned General Assembly Resolutions of 2020 have satisfied this requirement. The Maryland Constitution also requires that this bill "provide for the discharge of any such debt or credit within the period of 40 years from the time of contracting the same," which it does.

Additionally, the Maryland Constitution requires that after enactment, this ordinance be "submitted to the legal voters of the City of Baltimore, at such time and place as may be fixed by the ordinance, and approved by a majority of the votes cast at that time and place." Md. Constit., Art. XI, § 7. This bill provides, in Section 6, that once enacted by the City Council, it "shall be submitted to the legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to be held in Baltimore City, on Tuesday, the 3rd day of November, 2020." While this satisfies the Maryland Constitutional requirement, the Law Department recommends that the bill be amended to remove the actual date of the General Election and substitute "at the next General Election after the effective date of this ordinance." This will accommodate any changes in the date of the General Election due to the current pandemic. Draft language is attached to this bill.

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The Law Department approves Council Bill 20-0517 for form and legal sufficiency as written but recommends the attached amendment.

Very truly yours,

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Hilary Ruley Chief Solicitor

cc: Dana P. Moore, Acting City Solicitor Matthew Stegman, Mayor's Office of Government Relations Elena DiPietro, Chief Solicitor, General Counsel Division Victor Tervala, Chief Solicitor Ashlea Brown, Assistant Solicitor

AMENDMENTS TO COUNCIL BILL 20-0517 (1st Reader Copy)

Proposed by: Law Dep't

{To be offered to the Taxation, Finance and Economic Development Committee}

Amendment No. 1

On page 2 in line 6, and on page 3, in lines 39 and 40, delete "GENERAL ELECTION TO BE HELD IN BALTIMORE CITY, ON TUESDAY, THE 3RD DAY OF NOVEMBER, 2020" and substitute "NEXT GENERAL ELECTION TO BE HELD IN BALTIMORE CITY AFTER THE EFFECTIVE DATE OF THIS ORDINANCE"