

Resolution No.: 20-1022
Introduced: January 13, 2026
Adopted: January 27, 2026

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: To authorize Montgomery County, Maryland (the “County”), pursuant to and in accordance with Chapter 20, Sections 20-47 through 20-54 of the County Code (the “Revenue Bond Act”), Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement) (the “Local Government Act”), the Maryland Stadium Authority – Camden Yards Sports Facilities Fund and Bus Rapid Transit Fund Act enacted as Chapter 112 of the Laws of Maryland of 2023, as amended (the “BRT Act”), Section 9-120 of the State Government Article of the Annotated Code of Maryland, as amended (“Section 9-120”) and Section 2-802 of the Transportation Article of the Annotated Code of Maryland, as amended (“Section 2-802” and, together with the Revenue Bond Act, the Local Government Act, the BRT Act and Section 9-120, the “Acts”), to issue and sell its revenue bonds at one time or from time to time, in one or more series, and not upon the full faith and credit of the County, in an amount sufficient to finance and refinance in whole or in part certain costs relating to the development and construction of a high-capacity, high-frequency bus rapid transit system designed to provide a more reliable, accessible, and faster alternative to existing bus services and any required improvements to other facilities relating to such system; to provide for the sale of such bonds either at a public competitive sale, or at a negotiated sale; to provide that the County Executive of the County and other County Officials (as hereinafter defined) shall take all necessary, proper or expedient action to effect the issuance, sale and delivery of the revenue bonds; and generally providing for and determining various matters in connection with such bonds.

Background

1. Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement) and the Revenue Bond Act, as amended, authorize the issuance from time to time of revenue bonds or other obligations of the County, payable as to principal, interest and premium, if any, only from the funds or revenues received from or in connection with any project, all or part of which is financed from the proceeds of revenue bonds or other obligations. Such bonds may be sold on a negotiated basis without solicitation of competitive bids.

2. The BRT Act established the Bus Rapid Transit Fund (the “Bus Rapid Transit Fund”) as a special, nonlapsing fund to provide grants to certain eligible grantees. Proceeds in the Bus Rapid Transit Fund are derived from deposits of lottery revenues (“Lottery Revenues”) of the State of Maryland (the “State”), subject to and conditioned upon annual appropriations by the General Assembly of the State. Section 9-120 provides that deposits to the Bus Rapid Transit Fund from Lottery Revenues will equal \$27,000,000 for fiscal year 2025 and \$17,000,000 in each subsequent fiscal year. The purpose of the Bus Rapid Transit Fund is to provide grants to eligible grantees in accordance with Section 2-802 of the Transportation Article of the Annotated Code of Maryland (“Section 2-802”) to be used to (i) finance and refinance costs related to the construction, acquisition, improvement, equipping, rehabilitation, and expansion of bus rapid transit system projects, (ii) pay debt service on bonds issued to finance bus rapid transit system projects, (iii) pay all reasonable expenses and charges related to bond issuance and borrowing, and (iv) pay costs relating to the management and operation of bus rapid transit system projects. Section 7-205.1 of the Transportation Article also requires that the Governor of the State include in the State budget, in fiscal year 2026 and each fiscal year thereafter, an appropriation of \$10,000,000 from the Transportation Trust Fund to the Bus Rapid Transit Fund for grants in accordance with Section 2-802. The County will limit the annual debt service on the Series 2026 Bonds to the total amount of revenues available for receipt by the County from the Bus Rapid Transit Fund each year and allocable to pay debt service on the Bonds.
3. Pursuant to the Acts, the County expects to issue its grant anticipation revenue bonds in the aggregate principal amount not to exceed \$199,500,000 (the “Series 2026 Bonds”), the proceeds of which will be applied to (i) finance and refinance, in whole or in part, certain costs relating to the development and construction of a high-capacity, high-frequency bus rapid transit system designed to provide a more reliable, accessible, and faster alternative to existing bus services and any required improvements to other facilities relating to such system, (ii) fund all or a portion of a debt service reserve fund with respect to the Series 2026 Bonds, (iii) pay capitalized interest accruing on the Series 2026 Bonds and (iv) pay reasonable costs of issuance of the Series 2026 Bonds.
4. In accordance with Section 20-51 of the Montgomery County Code, the County Executive of the County (the “County Executive”) may determine the manner of the sale of the Series 2026 Bonds at either public or private (negotiated) sale, including a direct placement.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. All capitalized terms used and not defined herein shall have the meanings given such terms in the Background section of this Resolution.

Section 2. The County, under the authority of the Acts hereby authorizes the issuance, sale

and delivery of its grant anticipation revenue bonds, at one time or from time to time, and in one or more series, in the aggregate principal amount not to exceed \$199,500,000 for the purpose of financing or refinancing in whole or in part certain costs relating to the development and construction of a high-capacity, high-frequency bus rapid transit system designed to provide a more reliable, accessible, and faster alternative to existing bus services and any required improvements to other facilities relating to such system (the "Series 2026 Bonds"). Proceeds of the Series 2026 Bonds may also be used to (i) fund all or a portion of a debt service reserve fund with respect to the Series 2026 Bonds, (ii) pay capitalized interest accruing on the Series 2026 Bonds and (iii) pay reasonable costs of issuance of the Series 2026.

Section 3. The Series 2026 Bonds shall not constitute a pledge of the full faith and credit and unlimited taxing power of the County. The Series 2026 Bonds will be limited obligations of the County payable solely from funds received by the County from the Bus Rapid Transit Fund pursuant to a grant agreement with the State Department of Transportation.

Section 4. The County hereby covenants that the timely payment of the principal of and interest on the Series 2026 Bonds shall be secured equally and ratably by the Pledged Revenues as defined in the Trust Agreement to be entered into between the County and a trustee without priority by reason of number or time of sale or delivery; and the Pledged Revenues (as defined in the Trust Agreement) are hereby irrevocably pledged to the timely payment of both principal, premium (if any) and interest on the Series 2026 Bonds.

Section 5. The Series 2026 Bonds may be sold for a price at, above or below par, plus accrued interest to the date of delivery. Authority is hereby conferred on the County Executive to sell the Series 2026 Bonds through a public sale or through a private (negotiated) sale, including a direct placement, without solicitation of competitive bids, as the County Executive by executive order, upon consultation with the Director of Finance of the County (the "Director of Finance") and the County's financial advisor, shall determine.

Section 6. The County Executive is hereby authorized to cause to be prepared and distributed a preliminary official statement and a final official statement, or a placement memorandum, respecting the Series 2026 Bonds, if he determines that it is appropriate to issue such statements or memorandum. The County Executive may determine, by executive order or otherwise, in his sole and absolute discretion, to issue the Series 2026 Bonds in one or more series from time to time in an aggregate principal amount not to exceed the amount authorized by this Resolution.

Section 7. The Series 2026 Bonds will be designated, dated, bear interest, be in such denominations, be payable at such times and at such places, mature in such amounts and on such dates, be subject to redemption prior to maturity, have such

other provisions, be in such forms and be executed and sealed as the County Executive determines, in his sole and absolute discretion, by executive order or otherwise, subject to the limitations of the Acts. The execution and delivery of the Series 2026 Bonds shall be conclusive evidence of the approval of the form of such Series 2026 Bonds on behalf of the County.

Section 8. The County Executive must, by executive order or otherwise approve the form and provisions of, execute and deliver the Series 2026 Bonds, and specify, prescribe, determine, provide for, approve, execute and deliver (where applicable) such other matters, details, forms, documents, or procedures, including (without limitation), bond purchase agreements, notices of sale, forms of proposal, grant agreements, escrow agreements, continuing disclosure agreements, and trust agreements and any supplements thereto as are necessary, proper or expedient to consummate the authorization, sale, security, issuance, delivery or payment of or for the Series 2026 Bonds.

Section 9. The County hereby covenants, if the Series 2026 Bonds are issued as tax-exempt bonds, that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Series 2026 Bonds in order to preserve the excludability of the interest on the Series 2026 Bonds from gross income for Federal income tax purposes. Without limiting the generality of the preceding sentence, the County will (a) not use or permit the use of any of the proceeds of the Series 2026 Bonds in such manner as would cause the interest on the Series 2026 Bonds to be includable in gross income for Federal income tax purposes, (b) make periodic determinations of the rebate amount (if any) and timely pay any rebate amount, or installment thereof, to the United States of America, and (c) prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, or any successor or additional form required by the Internal Revenue Service. The County Executive is hereby authorized to certify to the covenants set forth herein and related covenants to evidence the County's compliance with the Code.

Section 10. In accordance with the provisions of Section 211 of the Charter of the County, the County Executive is hereby authorized to delegate to the Chief Administrative Officer of the County (the "Chief Administrative Officer"), the power and authority to take any and all actions required or permitted to be taken by the County Executive pursuant to this Resolution.

Section 11. The members of the County Council, the County Executive, the Chief Administrative Officer, the County Attorney, the Director of Finance and the Clerk of the County Council and their respective designees (the "County Officials"), for and on behalf of the County, are hereby authorized and empowered to do all things (including without limitation), execute all instruments, bond purchase agreements, notices of sale, forms of proposal, grant agreements,

escrow agreements, continuing disclosure agreements, and trust agreements and any supplements thereto, direction letters, certificates, submittals, requests, and documentation to the State of Maryland and any departments or agencies thereof, and otherwise take all such action as may be necessary, proper or expedient to carry out the authority conferred by this Resolution, including (without limitation) the execution of certificates of the County, including (without limitation) documents, elections, statements and reports pursuant to application provisions of the Code and the Treasury Regulations, prescribed thereunder, subject to the limitations set forth in the Acts and this Resolution.

Section 12. This Resolution shall take effect upon its adoption.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council