Expedited Bill No.: 30-26
Concerning: Bond Authorization - Stormwater Management
Revised: 6/9/2026 Draft No.: 1
Introduced: June 16, 2026
Enacted: July 21, 2026
Executive: August 3, 2026
Effective: August 3, 2026
Sunset Date: None
Ch. 22, Laws of Mont. Co. 2026

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of County Executive

AN EXPEDITED ACT to:

authorize Montgomery County, Maryland (the "County") to issue special limited obligation bonds for the purposes of financing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects, and for refunding all or part of the outstanding special limited obligation bonds issued for such purposes.

By adding to:

Laws of Montgomery County 2026

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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

Sec. 1. The following is added to the Laws of Montgomery County:

(a) The County may at any time and from time to time sell in one or more series an aggregate principal amount not to exceed $125,000,000 in special limited obligation bonds (the "Bonds") authorized under the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, (the "State Refunding Act"), Title 4 ("Title 4") of the Environmental Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, Sections 20-47 through 20-54 of Chapter 20 of the Montgomery County Code, as amended ("Chapter 20") and Chapter 19 of the Montgomery County Code, as amended ("Chapter 19" and, together with Chapter 20, the "County Code"), for the purposes of financing and refinancing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects in connection with such facilities as such are included in and approved in the County's Capital Improvements Program.

(b) The Bonds are special limited obligations of the County and shall not constitute a pledge of the full faith and credit and unlimited taxing power of the County. The Bonds must be payable by the County from its water quality protection charges authorized to be imposed on certain real property in the County under Title 4 and Section 19-35 of the County Code (the "Water Quality Protection Charge") and deposited into the stormwater management fund (the "Fund"). To pay the interest of, principal of, and premium, if any, on the Bonds authorized by this Act as debt service becomes due and they respectively mature, the County must determine and impose the Water Quality Protection Charge in each and every fiscal year in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on all Bonds in each such fiscal year and all other costs and expenses authorized for payment and determined to be paid by the County from the Fund in that fiscal year under Chapter 19 of the County Code. In the event that the amounts derived from the Water Quality Protection Charge imposed in any fiscal year prove inadequate for the above purposes, additional charges must be imposed in the succeeding fiscal year to make up any deficiency. The County may apply to the payment of the principal of and interest on the Bonds and such other costs and expenses any other funds legally available and deposited to the Fund and, to the extent such funds are received or are receivable in any fiscal year, the amount of the Water Quality Protection Charge required to be imposed may be reduced accordingly.

(c) The County Executive may determine to issue a portion of the Bonds as refunding bonds under the State Refunding Act to refund all or a portion of outstanding special limited obligation bonds previously issued and payable with the Water Quality Protection Charge and any other funds legally available and deposited to the Fund and, to the extent such funds are received or are receivable in any fiscal year, for the purposes of refinancing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects in connection with such facilities as such are included in and approved in the County's Capital Improvements Program.

(d) The Bonds may be sold for a price below, at or above par, plus accrued interest to the date of delivery. The County Executive of the County (the "County Executive") may sell the Bonds through a public sale or through a private (negotiated) sale without solicitation of competitive bids, as the County Executive by executive order ("Executive Order"), upon consultation with the Director of Finance finds to be in the best interests of the County. Any sale of the Bonds by private negotiation is hereby determined to be for the County's best interest.

(e) Subject to and in accordance with the provisions of this Act, the County Executive may determine by Executive Order, for each and every Bond or series of Bonds issued under this Act, all matters relating to the sale, issuance, delivery and payment of the Bonds, including (without limitation) the purposes for which such Bonds are issued, the date or dates of sale of the Bonds, the designation of the Bonds, the date of delivery of the Bonds, the authorized denominations for the Bonds, the redemption provisions, if any, pertaining to the Bonds, the manner of authentication and numbering of the Bonds, the date from which interest on the Bonds shall accrue, the rate or rates of interest borne by the Bonds or the method of determining the same, the interest payment and maturity dates of the Bonds, including provisions for mandatory sinking fund redemption of any term bonds, the forms of the Bonds, the designation of the Bonds as tax-exempt or taxable, whether the Bonds are to be issued in book-entry form and all matters incident to the issuance of Bonds in book-entry form and the provisions for the registration of Bonds. The execution and delivery of Bonds is conclusive evidence of the approval of all terms and provisions of such Bonds on behalf of the County.

(f) Except as otherwise provided in an Executive Order, the Bonds must be executed in the name of the County and on its behalf by the County Executive, whose signature may be by facsimile, an original or facsimile of the official seal of the County must be imprinted or otherwise reproduced thereon, attested by the manual or facsimile signature of the Director of Finance, and authenticated by the manual or facsimile signature of the Paying Agent/Registrar or any designated signer.

(g) The County hereby covenants that if the County Executive determines to issue the Bonds as tax-exempt bonds or bonds that must comply with regulations regarding tax-exempt bonds, 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 (the "Code"), applicable to the Bonds issued as tax-exempt bonds in order to preserve the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Without limiting the generality of the preceding sentence, (1) the County must not use or permit the use of any of the proceeds of the Bonds issued as tax-exempt bonds in such manner as would cause the interest on the Bonds to be included in gross income for Federal income tax purposes, (2) the County must regulate the investment of the proceeds of the Bonds so as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (3) the County must, if and to the extent necessary, make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (4) the County must 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, and (5) the County Executive or a designee of the County Executive must prepare and execute and certify any other document that may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

(h) In connection with the issuance of any Bonds under this Act, the County may enter into one or more agreements as the County Executive deems necessary or appropriate for the issuance, sale, delivery or security of such Bonds, which may include (without limitation) (1) underwriting, purchase, loan or placement agreements for Bonds sold at private (negotiated) sale in accordance with the provisions of this Act; (2) trust agreements and escrow deposit agreements with commercial banks or trust companies providing for the issuance and security of such Bonds; (3) any dealer, remarketing or similar agreements providing for the placement or remarketing of such Bonds; (4) agreements providing for any insurance, credit, or liquidity facilities supporting any Bonds; (5) agreements with commercial banks or trust companies providing for the deposit of proceeds of any Bonds and the purchase and deposit of securities in escrow deposit accounts or funds; (6) agreements with fiscal agents providing for the issuance of Bonds, their authentication, registration or payment or other similar services; (7) agreements with accountants and other firms providing verification services to serve as verification agent, and (8) continuing disclosure agreements, including any such agreements required to enable the underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule l5c2-12 promulgated by the United States Securities and Exchange Commission. Each such agreement shall be in such form and executed in the manner as determined by the County Executive by Executive Order.

(i) The County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the Council, for and on behalf of the County, may do all things, execute all instruments, authorize the preparation and distribution of a preliminary and a final official statement or other disclosure document and otherwise take all such action as may be necessary, proper, or expedient to carry out the authority conferred by this Act.

(j) The issuance and sale of any bonds under this Act are exempt from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as amended.

Section 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Approved:

July 21, 2026

Natali Fani-González, President, County Council — Date

Approved:

August 3, 2026

Marc Elrich, County Executive — Date

This is a correct copy of Council action.

August 3, 2026

Sara R. Tenenbaum, Clerk of the Council — Date