

HOUSE BILL 1365

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7lr0931

By: **Delegate Lisanti**

Introduced and read first time: February 10, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **County Student Loan Refinancing Authorities**

3 FOR the purpose of authorizing a county to create a county student loan refinancing
4 authority through an ordinance enacted by the county governing body; providing for
5 the purpose of an authority; requiring a county to take certain actions before
6 establishing an authority; requiring an authority to meet certain requirements if an
7 authority is established; providing that the provisions of the county charter or other
8 governing document do not apply to an authority unless expressly provided by law;
9 prohibiting certain obligations of an authority from being obligations of the State
10 and political subdivisions of the State; adding an authority to the definition of “local
11 government” for purposes of the Local Government Tort Claims Act; providing for
12 the construction of this Act; making certain provisions of this Act subject to a certain
13 contingency; and generally relating to county student loan refinancing authorities.

14 BY adding to

15 Article – Education

16 Section 18–31A–01 through 18–31A–03 to be under the new subtitle “Subtitle 31A.
17 County Student Loan Refinancing Authorities”

18 Annotated Code of Maryland

19 (2014 Replacement Volume and 2016 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Courts and Judicial Proceedings

22 Section 5–301(d)(28) and (29)

23 Annotated Code of Maryland

24 (2013 Replacement Volume and 2016 Supplement)

25 BY adding to

26 Article – Courts and Judicial Proceedings

27 Section 5–301(d)(30)

28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2013 Replacement Volume and 2016 Supplement)

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

Article – Education

SUBTITLE 31A. COUNTY STUDENT LOAN REFINANCING AUTHORITIES.

18–31A–01.

(A) IN ACCORDANCE WITH THIS SUBTITLE, A COUNTY IS AUTHORIZED TO
CREATE A COUNTY STUDENT LOAN REFINANCING AUTHORITY.

(B) THE PURPOSE OF AN AUTHORITY IS TO PROVIDE A SYSTEM OF
FINANCIAL ASSISTANCE CONSISTING OF AFFORDABLE GRANTS, LOANS, AND OTHER
AIDS TO ENABLE COUNTY RESIDENTS, GRADUATES OF THE COUNTY PUBLIC SCHOOL
SYSTEM, INDIVIDUALS EMPLOYED BY THE COUNTY GOVERNMENT OR PUBLIC
SCHOOL SYSTEM, AND OTHER INDIVIDUALS AS DETERMINED BY THE AUTHORITY TO
OBTAIN A POSTSECONDARY EDUCATION.

18–31A–02.

(A) BEFORE A COUNTY MAY ESTABLISH A COUNTY STUDENT LOAN
REFINANCING AUTHORITY, THE COUNTY SHALL:

(1) STUDY ASPECTS OF IMPLEMENTING AN AUTHORITY IN
ACCORDANCE WITH STATE AND COUNTY LAW, INCLUDING:

(I) PERFORMING A FEASIBILITY AND DEMAND STUDY;

(II) ASSESSING THE POTENTIAL BENEFIT TO RECRUITMENT
AND RETENTION OF COUNTY EMPLOYEES, SCHOOL SYSTEM EMPLOYEES, LAW
ENFORCEMENT OFFICERS, AND FEDERAL GOVERNMENT EMPLOYEES; AND

(III) STUDYING THE OPERATION OF SIMILAR PROGRAMS IN
OTHER SYSTEMS, INCLUDING OPERATING COSTS;

(2) HOLD PUBLIC HEARINGS; AND

(3) PROVIDE AN OPPORTUNITY FOR PUBLIC COMMENT.

(B) IF A COUNTY DECIDES TO ESTABLISH AN AUTHORITY AS AUTHORIZED IN
§ 18–31A–01 OF THIS SUBTITLE, THE COUNTY’S GOVERNING BODY MUST PASS AN
ORDINANCE THAT CREATES AN AUTHORITY IN ACCORDANCE WITH THIS SUBTITLE.

1 **18-31A-03.**

2 **(A) IF A COUNTY ESTABLISHES A COUNTY STUDENT LOAN REFINANCING**
3 **AUTHORITY, THE AUTHORITY SHALL MEET THE REQUIREMENTS OF THIS SECTION.**

4 **(B) A COUNTY STUDENT LOAN REFINANCING AUTHORITY SHALL BE**
5 **SUBJECT TO:**

6 **(1) THE COUNTY PUBLIC ETHICS LAW; AND**

7 **(2) THE OPEN MEETINGS ACT UNDER TITLE 3 OF THE GENERAL**
8 **PROVISIONS ARTICLE.**

9 **(C) IF A COUNTY STUDENT REFINANCING AUTHORITY IS GRANTED THE**
10 **POWER TO ISSUE BONDS FOR THE PURPOSE OF MAKING LOANS TO FINANCE**
11 **POSTSECONDARY EDUCATION, ANY BONDS ISSUED BY THE AUTHORITY SHALL BE**
12 **OBLIGATIONS OF THE AUTHORITY ONLY AND NOT OF THE COUNTY OR THE STATE.**

13 **(D) THE PROVISIONS OF THE COUNTY CHARTER OR OTHER GOVERNING**
14 **DOCUMENT DO NOT APPLY TO THE AUTHORITY UNLESS THE GOVERNING BODY OF**
15 **THE COUNTY EXPRESSLY PROVIDES BY LAW THAT A PROVISION APPLIES TO THE**
16 **AUTHORITY.**

17 **SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read**
18 **as follows:**

19 **Article – Courts and Judicial Proceedings**

20 **5-301.**

21 **(d) “Local government” means:**

22 **(28) The nonprofit corporation serving as the local public transportation**
23 **authority for Garrett County pursuant to a contract or memorandum of understanding with**
24 **Garrett County (Garrett County Community Action Committee, Inc.); [and]**

25 **(29) The nonprofit corporation serving as the industrial development**
26 **authority of Carroll County established under Title 12, Subtitle 1 of the Economic**
27 **Development Article; AND**

28 **(30) A COUNTY STUDENT LOAN REFINANCING AUTHORITY**
29 **ESTABLISHED UNDER TITLE 18, SUBTITLE 31A OF THE EDUCATION ARTICLE.**

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be construed
2 to impair or affect the authorization for Montgomery County to create and establish the
3 Montgomery County Student Loan Refinancing Authority in accordance with Title 18,
4 Subtitle 31 of the Education Article.

5 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
6 effect contingent on the creation of a county student loan refinancing authority by a county
7 governing body in accordance with Title 18, Subtitle 31A of the Education Article. The
8 county governing body shall notify the Department of Legislative Services within 10 days
9 after the enactment of an ordinance creating the authority. If notice of the creation of an
10 authority is not received by the Department of Legislative Services on or before June 30,
11 2020, Section 2 of this Act shall be null and void without the necessity of further action by
12 the General Assembly.

13 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
14 4 of this Act, this Act shall take effect July 1, 2017.