

HOUSE BILL 1213

Unofficial Copy  
B3

2000 Regular Session  
(01r2223)

**ENROLLED BILL**  
-- Appropriations/Budget and Taxation --

Introduced by **Delegate Owings (Calvert County Delegation)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER 173

1 AN ACT concerning

2 **Calvert County - Agricultural Land Preservation Program - General**  
3 **Obligation Installment Purchase Agreements**

4 FOR the purpose of authorizing and empowering the County Commissioners of  
5 Calvert County, from time to time, to enter into installment purchase  
6 agreements for an aggregate purchase price of not more than \$10,300,000, plus  
7 interest thereon, to acquire *under certain criteria* transfer development rights in  
8 tracts or parcels of agricultural and forestry land located in Calvert County,  
9 Maryland as part of the County's Agricultural Land Preservation Program;  
10 empowering the County to fix and determine *under certain criteria*, by  
11 resolution, the tracts or parcels of land the transfer development rights of which  
12 are to be acquired and the form, content, terms and conditions of each  
13 installment purchase agreement, including, without limitation, the purchase  
14 price payable thereunder, the maturity date of the installment purchase  
15 agreement, the interest rate and the schedule of payments of the purchase price  
16 (or the method of determining such interest rate and payment schedule) and all  
17 other details incident to the acquisition of the development rights and the

1 installment purchase agreements; providing that the County's obligation to  
2 make payments of the purchase price under the installment purchase  
3 agreements and to pay interest thereon shall be a general obligation of the  
4 County made upon its full faith and credit; empowering and directing the  
5 County to levy, impose, and collect, annually, ad valorem taxes in rate and  
6 amount sufficient to provide funds for the payment of the maturing purchase  
7 price of and interest on the installment purchase agreements; exempting the  
8 installment purchase agreements and the interest thereon and any income  
9 derived therefrom from all State, county, municipal, and other taxation in the  
10 State of Maryland; authorizing and empowering the County to purchase and set  
11 aside in a segregated fund or account U.S. Treasury STRIPs or other  
12 investments allowed under certain provisions of the law and the investment  
13 guidelines of Calvert County to pay the balance of the purchase price of the  
14 installment purchase agreements payable on their maturity dates; and relating  
15 generally to the County's entering into installment purchase agreements to  
16 acquire transfer development rights in agricultural and forestry lands in  
17 Calvert County.

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That, as used herein, the term "County" means the body politic and  
20 corporate of the State of Maryland known as the County Commissioners of Calvert  
21 County; and the term "Installment Purchase Agreement" means an agreement  
22 pursuant to which the County will acquire transfer development rights in one or more  
23 tracts or parcels of agricultural or forestry land located in Calvert County, Maryland  
24 from the owners thereof, will pay the purchase price for that land either in  
25 installments or at the maturity of the Installment Purchase Agreement and will pay  
26 interest on the unpaid balance of that purchase price.

27 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby  
28 authorized and empowered to enter into Installment Purchase Agreements for an  
29 aggregate purchase price of not more than \$10,300,000, plus interest thereon, to  
30 acquire transfer development rights in tracts or parcels of agricultural and forestry  
31 land located in Calvert County, Maryland as part of the County's Agricultural Land  
32 Preservation Program. The County's obligation to make payments of the purchase  
33 price under each Installment Purchase Agreement and to pay interest on the unpaid  
34 balance of the purchase price under each Installment Purchase Agreement shall be a  
35 general obligation of the County and shall be made upon its full faith and credit, and  
36 shall be evidenced by the Installment Purchase Agreement.

37 SECTION 3. AND BE IT FURTHER ENACTED, That the County shall select  
38 the tracts or parcels of agricultural or forestry land for which transfer development  
39 rights are to be acquired and shall negotiate the purchase price for such transfer  
40 development rights and all other terms and conditions of the Installment Purchase  
41 Agreement with the owner or owners of such property, all in accordance with the  
42 County's Agricultural Land Preservation Program as in effect from time to time. In  
43 selecting the tracts or parcels of agricultural or forestry land for purposes of acquiring  
44 transfer development rights, the County shall to the extent possible select agricultural  
45 or forestry land equitably among the County election districts that are set by the  
46 County Commissioners.

1 SECTION 4. AND BE IT FURTHER ENACTED, That each Installment  
2 Purchase Agreement shall be entered into in accordance with a resolution of the  
3 County, which shall provide for the acquisition of the transfer development rights in  
4 one or more specified particular tracts or parcels of agricultural or forestry property  
5 located in Calvert County, Maryland which is to be the subject of the Installment  
6 Purchase Agreement. In acquiring the transfer development rights in tracts or parcels  
7 of agricultural or forestry land located in the County, the County shall to the extent  
8 possible acquire agricultural or forestry land equitably among the County election  
9 districts that are set by the County Commissioners. The County shall have and is  
10 hereby granted full and complete authority and discretion in the resolution to specify  
11 the tracts or parcels of agricultural or forestry land the transfer development rights of  
12 which are to be acquired and to provide and approve the form, tenor and content of  
13 the Installment Purchase Agreement described in the resolution, including, without  
14 limitation, (a) the designation, (b) the ~~dated~~ date, (c) the purchase price thereunder  
15 (or the maximum purchase price and the method of determining the final purchase  
16 price subject to such limitation), (d) the maturity date of the Installment Purchase  
17 Agreement (not exceeding 30 years from the date of execution and delivery of the  
18 Installment Purchase Agreement) on which the final balance of the purchase price is  
19 payable, (e) whether any portion of the purchase price will be payable prior to the  
20 maturity date of the Installment Purchase Agreement, and, if so, the dates of  
21 payments of any installments of the purchase price and the amounts of such  
22 installments (or the methods or formula for determining such installment dates and  
23 amounts), (f) the interest rate per annum (or the method of determining such rate)  
24 payable on, the Installment Purchase Agreement from time to time and the dates for  
25 payment of such interest, (g) the terms and conditions, if any, under which the  
26 Installment Purchase Agreement may or shall be redeemed prior to its maturity date,  
27 (h) provisions relating to the registration and transfer of the Installment Purchase  
28 Agreement, (i) the required signatures on the Installment Purchase Agreement and  
29 all related documents, (j) the appointment of a paying agent and registrar for the  
30 Installment Purchase Agreement, which may be the Director of Administration and  
31 Finance of the County, any other employee of the County, any department of the  
32 County government or any bank or trust company within or without the State of  
33 Maryland having corporate trust powers, (k) covenants relating to compliance with  
34 applicable requirements of federal income tax law, including (without limitation)  
35 covenants regarding the payment of rebate or penalties in lieu of ~~rebated~~ rebate, and  
36 (l) generally all matters incident to the acquisition of the transfer development rights  
37 and the terms, conditions, execution and delivery of the Installment Purchase  
38 Agreement.

39 Each Installment Purchase Agreement may be made redeemable before  
40 maturity, at the option of the County, at such price or prices and under such terms  
41 and conditions as may be fixed by the County prior to the execution and delivery of  
42 the Installment Purchase Agreement. The Installment Purchase Agreement shall be  
43 in registered form. In case any officer whose signature appears on any bond or on any  
44 coupon attached thereto ceases to be such officer before the delivery thereof, such  
45 signature shall nevertheless be valid and sufficient for all purposes as if he or she had  
46 remained in office until such delivery. Any Installment Purchase Agreements entered  
47 from time to time into under the authority of this Act shall be specifically exempt

1 from the provisions of Sections 9, 10 and 11 of Article 31 of the Annotated Code of  
2 Maryland.

3 SECTION 5. AND BE IT FURTHER ENACTED, That the Installment Purchase  
4 ~~Agreement~~ Agreements hereby authorized shall constitute, and they shall ~~be so~~  
5 recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of  
6 the County to the payment of the maturing purchase price under the Installment  
7 ~~Purchase Agreement~~ Agreements and the interest on the unpaid balance of that  
8 purchase price as and when they become payable. In each and every year until all of  
9 the purchase price payable under the Installment Purchase Agreements and the  
10 interest thereon are paid in full, the County shall levy or cause to be levied ad  
11 valorem taxes upon all the assessable property within the corporate limits of the  
12 county in rate and amount sufficient, together with any recordation tax revenues  
13 designated for such payments and other available funds, to provide for or assure the  
14 payment, when due, of the purchase price of all outstanding Installment Purchase  
15 Agreements and the interest thereon maturing in each such fiscal year and, in the  
16 event the proceeds from the taxes so levied in any such fiscal year shall prove  
17 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal  
18 year to make up any such deficiency. The County may apply to the payment of the  
19 purchase price of the outstanding Installment Purchase Agreements and interest  
20 payable thereon any funds received by it from the State of Maryland, the United  
21 States of America, or any agency or instrumentality thereof, or from any other source,  
22 if such funds are granted for the purpose of assisting the County in financing the  
23 acquisition of transfer development rights in agricultural or forestry land located in  
24 Calvert County, Maryland and to the extent of any such funds received or receivable  
25 in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

26 SECTION 6. AND BE IT FURTHER ENACTED, That the County is authorized  
27 and empowered to purchase and set aside in a segregated fund or account U.S.  
28 Treasury STRIPs or other obligations allowed under Article 95, Section 22, 22F, and  
29 22G of the Annotated Code of Maryland (or any successor provision of law) and the  
30 County's guidelines, as in effect from time to time. It is intended that investments in  
31 that segregated fund or account will be applied to the payment of the balance of the  
32 purchase price of the Installment Purchase Agreements on their respective maturity  
33 dates; but the investments shall not be pledged to the payment of the purchase price  
34 of any of the Installment Purchase Agreements or the interest thereon, and no person  
35 other than the County shall have any interest therein.

36 SECTION 7. AND BE IT FURTHER ENACTED, That any and all Installment  
37 Purchase Agreements entered into by the County pursuant to the authority of this  
38 Act, their transfer, the interest payable thereon, and any income derived therefrom in  
39 the hands of the registered owners thereof from time to time (including any profit  
40 made in the sale thereof) shall be and are hereby declared to be at all times exempt  
41 from State, county, municipal, or other taxation of every kind and nature whatsoever  
42 within the State of Maryland.

43 SECTION 8. AND BE IT FURTHER ENACTED, That the authority conferred  
44 on the County by this Act to enter into Installment Purchase Agreements and create  
45 debt of the County shall be deemed to provide an additional and alternative authority

1 for borrowing money and creating debt and shall be regarded as supplemental and  
2 additional to powers conferred upon the County by other laws and shall not be  
3 regarded as in derogation of any power now existing; and all Acts of the General  
4 Assembly of Maryland heretofore passed authorizing the County to borrow money  
5 and incur debt are hereby continued to the extent that the powers contained in those  
6 prior Acts have not been exercised, and nothing contained in this Act may be  
7 construed to impair, in any way, the validity of any bonds or other obligations that  
8 may have been entered into by the County under the authority of any of said Acts, and  
9 the validity of the bonds or other obligations is hereby ratified, confirmed, and  
10 approved. This Act, being necessary for the welfare of the inhabitants of Calvert  
11 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of  
12 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of  
13 such inconsistency.

14 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 June 1, 2000.