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§12-403.

(a) The County Commissioners of Caroline County may:

(1) purchase or lease personal property under a multiyear contract that requires the county commissioners to make installment or rental payments during 2 or more fiscal years;

(2) pay interest as part of any installment or rental payments in accordance with the terms of the contract; and

(3) pledge and assign the personal property purchased or leased to secure the obligation.

(b) (1) The County Commissioners of Caroline County may enter into a contract under subsection (a) of this section only if:

(i) the county commissioners have appropriated money sufficient to pay the amount due under the contract during the first fiscal year in which the contract is effective;

(ii) subject to paragraph (2) of this subsection, the contract authorizes the county commissioners to terminate the contract if money sufficient to pay the amount due under the contract for any fiscal year is not appropriated;

(iii) the contract provides that, except if the county commissioners default in payment under the contract, an obligation for payment under the contract is limited to money appropriated for contract payment for that fiscal year; and

(iv) the contract provides that, if the county commissioners default in payment under the contract, the obligation for payment is limited to:

1. money appropriated for contract payments for that fiscal year;

2. any money realized from the personal property purchased or leased under the contract; and

3. any other money legally available for contract payment.

(2) The contract may provide that a contract termination is ineffective if the county commissioners purchase or lease personal property similar or functionally related to the property purchased or leased under the contract within a specified period of time.

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