

SENATE BILL 702

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1998 Regular Session
8r2169

By: **Senator Hafer**

Introduced and read first time: February 16, 1998

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Garrett County - Purchase of Real Property and Capital Improvements -**
3 **Financing**

4 FOR the purpose of expanding the authority of the County Commissioners of Garrett
5 County to finance certain capital improvements in a certain manner; increasing
6 the amount of debt that the County is authorized to incur for certain purposes;
7 requiring the County Commissioners to compare certain costs and to follow
8 specified procedures when approving certain financing; and generally relating
9 to the authority of the County Commissioners of Garrett County to incur debt
10 for purposes of financing real property purchases and certain capital
11 improvements.

12 BY repealing and reenacting, with amendments,
13 The Public Local Laws of Garrett County
14 Section 20-16.2
15 Article 12 - Public Local Laws of Maryland
16 (1985 Edition and December 1997 Supplement, as amended)

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

19 **Article 12 - Garrett County**

20 20-16.2.

21 A. Subject to Subsections B through [D] E of this section, the County
22 Commissioners by resolution may:

23 (1) Enter into an agreement to finance the purchase of real property
24 purchased by the county for any public purpose through a financial institution or with
25 a person selling the property at an interest rate and under terms and conditions that
26 the County Commissioners deem in the best interest of the county; [and]

27 (2) ENTER INTO AN AGREEMENT TO FINANCE THE PLANNING, DESIGN,
28 CONSTRUCTION, REPAIR, RENOVATION, RECONSTRUCTION, OR CAPITAL EQUIPPING

1 OF ANY BUILDING FOR ANY PUBLIC PURPOSE THROUGH A FINANCIAL INSTITUTION
2 AT AN INTEREST RATE AND UNDER THE TERMS AND CONDITIONS THAT THE COUNTY
3 COMMISSIONERS DEEM IN THE BEST INTEREST OF THE COUNTY; AND

4 (3) Secure the financing UNDER ITEMS (1) OR (2) OF THIS SUBSECTION
5 through a mortgage or other instrument under the terms that the County
6 Commissioners deem appropriate.

7 B. (1) The total amount of county debt entered under this section may not
8 exceed [\$500,000] \$1,500,000 at any point in time.

9 (2) A financing agreement entered under this section may not extend
10 beyond a twenty-year period and shall reserve to the county the right to prepay the
11 debt at any time at the option of the County Commissioners without any penalty.

12 C. In any fiscal year in which debt under this section is outstanding, the
13 County Commissioners shall levy ad valorem taxes on the assessable property in the
14 county at a rate and amount sufficient to provide for the payment of the principal and
15 interest under any financing agreement entered under this section as it becomes due.

16 D. Before the County Commissioners adopt a resolution under this section[,
17 the]:

18 (1) THE COUNTY COMMISSIONERS SHALL COMPARE THE COST OF THE
19 FINANCING BASED ON DOCUMENTED PROPOSALS FROM AT LEAST TWO FINANCIAL
20 INSTITUTIONS; AND

21 (2) THE PROPOSED financing agreement and any related documents
22 shall be reviewed by the attorney for the County Commissioners for legal sufficiency.

23 E. THE COUNTY COMMISSIONERS MAY ADOPT A RESOLUTION UNDER THIS
24 SECTION ONLY AT A REGULAR SESSION OF THE COUNTY COMMISSIONERS HELD NO
25 SOONER THAN 10 DAYS AFTER NOTICE OF THE PROPOSED FINANCING AND THE TIME
26 AT WHICH THE COUNTY COMMISSIONERS ARE TO CONSIDER THE FINANCING IS
27 PUBLISHED IN AT LEAST ONE NEWSPAPER REGULARLY AVAILABLE IN THE COUNTY.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 1998.