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By: **Senator Hafer**

Introduced and read first time: February 16, 1998

Assigned to: Rules

Re-referred to: Budget and Taxation, February 19, 1998

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 17, 1998

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CHAPTER \_\_\_\_\_

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:

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

5 (2) ENTER INTO AN AGREEMENT TO FINANCE THE PLANNING, DESIGN,  
6 CONSTRUCTION, REPAIR, RENOVATION, RECONSTRUCTION, OR CAPITAL EQUIPPING  
7 OF ANY BUILDING FOR ANY PUBLIC PURPOSE THROUGH A FINANCIAL INSTITUTION  
8 AT AN INTEREST RATE AND UNDER THE TERMS AND CONDITIONS THAT THE COUNTY  
9 COMMISSIONERS DEEM IN THE BEST INTEREST OF THE COUNTY; AND

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

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

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

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

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

24 (1) THE COUNTY COMMISSIONERS SHALL COMPARE THE COST OF THE  
25 FINANCING BASED ON DOCUMENTED PROPOSALS FROM AT LEAST TWO FINANCIAL  
26 INSTITUTIONS; AND

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

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

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

