

HOUSE BILL 1213

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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 _____

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.