
By: **Delegate Owings (Calvert County Delegation)**
Introduced and read first time: February 11, 2000
Assigned to: Appropriations

A BILL ENTITLED

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 transfer development rights in tracts or parcels of
8 agricultural and forestry land located in Calvert County, Maryland as part of the
9 County's Agricultural Land Preservation Program; empowering the County to
10 fix and determine, by resolution, the tracts or parcels of land the transfer
11 development rights of which are to be acquired and the form, content, terms and
12 conditions of each installment purchase agreement, including, without
13 limitation, the purchase price payable thereunder, the maturity date of the
14 installment purchase agreement, the interest rate and the schedule of payments
15 of the purchase price (or the method of determining such interest rate and
16 payment schedule) and all other details incident to the acquisition of the
17 development rights and the installment purchase agreements; providing that
18 the County's obligation to make payments of the purchase price under the
19 installment purchase agreements and to pay interest thereon shall be a general
20 obligation of the County made upon its full faith and credit; empowering and
21 directing the County to levy, impose, and collect, annually, ad valorem taxes in
22 rate and amount sufficient to provide funds for the payment of the maturing
23 purchase price of and interest on the installment purchase agreements;
24 exempting the installment purchase agreements and the interest thereon and
25 any income derived therefrom from all State, county, municipal, and other
26 taxation in the State of Maryland; authorizing and empowering the County to
27 purchase and set aside in a segregated fund or account U.S. Treasury STRIPs or
28 other investments allowed under certain provisions of the law and the
29 investment guidelines of Calvert County to pay the balance of the purchase
30 price of the installment purchase agreements payable on their maturity dates;
31 and relating generally to the County's entering into installment purchase
32 agreements to acquire transfer development rights in agricultural and forestry
33 lands in Calvert County.

34 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
35 MARYLAND, That, as used herein, the term "County" means the body politic and

1 corporate of the State of Maryland known as the County Commissioners of Calvert
2 County; and the term "Installment Purchase Agreement" means an agreement
3 pursuant to which the County will acquire transfer development rights in one or more
4 tracts or parcels of agricultural or forestry land located in Calvert County, Maryland
5 from the owners thereof, will pay the purchase price for that land either in
6 installments or at the maturity of the Installment Purchase Agreement and will pay
7 interest on the unpaid balance of that purchase price.

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

18 SECTION 3. AND BE IT FURTHER ENACTED, That the County shall select
19 the tracts or parcels of agricultural or forestry land for which transfer development
20 rights are to be acquired and shall negotiate the purchase price for such transfer
21 development rights and all other terms and conditions of the Installment Purchase
22 Agreement with the owner or owners of such property, all in accordance with the
23 County's Agricultural Land Preservation Program as in effect from time to time.

24 SECTION 4. AND BE IT FURTHER ENACTED, That each Installment
25 Purchase Agreement shall be entered into in accordance with a resolution of the
26 County, which shall provide for the acquisition of the transfer development rights in
27 one or more specified particular tracts or parcels of agricultural or forestry property
28 located in Calvert County, Maryland which is to be the subject of the Installment
29 Purchase Agreement. The County shall have and is hereby granted full and complete
30 authority and discretion in the resolution to specify the tracts or parcels of
31 agricultural or forestry land the transfer development rights of which are to be
32 acquired and to provide and approve the form, tenor and content of the Installment
33 Purchase Agreement described in the resolution, including, without limitation, (a) the
34 designation, (b) the dated date, (c) the purchase price thereunder (or the maximum
35 purchase price and the method of determining the final purchase price subject to such
36 limitation), (d) the maturity date of the Installment Purchase Agreement (not
37 exceeding 30 years from the date of execution and delivery of the Installment
38 Purchase Agreement) on which the final balance of the purchase price is payable, (e)
39 whether any portion of the purchase price will be payable prior to the maturity date
40 of the Installment Purchase Agreement, and, if so, the dates of payments of any
41 installments of the purchase price and the amounts of such installments (or the
42 methods or formula for determining such installment dates and amounts), (f) the
43 interest rate per annum (or the method of determining such rate) payable on, the
44 Installment Purchase Agreement from time to time and the dates for payment of such
45 interest, (g) the terms and conditions, if any, under which the Installment Purchase
46 Agreement may or shall be redeemed prior to its maturity date, (h) provisions relating

1 to the registration and transfer of the Installment Purchase Agreement, (i) the
2 required signatures on the Installment Purchase Agreement and all related
3 documents, (j) the appointment of a paying agent and registrar for the Installment
4 Purchase Agreement, which may be the Director of Administration and Finance of the
5 County, any other employee of the County, any department of the County government
6 or any bank or trust company within or without the State of Maryland having
7 corporate trust powers, (k) covenants relating to compliance with applicable
8 requirements of federal income tax law, including (without limitation) covenants
9 regarding the payment of rebate or penalties in lieu of rebated, and (l) generally all
10 matters incident to the acquisition of the transfer development rights and the terms,
11 conditions, execution and delivery of the Installment Purchase Agreement.

12 Each Installment Purchase Agreement may be made redeemable before
13 maturity, at the option of the County, at such price or prices and under such terms
14 and conditions as may be fixed by the County prior to the execution and delivery of
15 the Installment Purchase Agreement. The Installment Purchase Agreement shall be
16 in registered form. In case any officer whose signature appears on any bond or on any
17 coupon attached thereto ceases to be such officer before the delivery thereof, such
18 signature shall nevertheless be valid and sufficient for all purposes as if he or she had
19 remained in office until such delivery. Any Installment Purchase Agreements entered
20 from time to time into under the authority of this Act shall be specifically exempt
21 from the provisions of Sections 9, 10 and 11 of Article 31 of the Annotated Code of
22 Maryland.

23 SECTION 5. AND BE IT FURTHER ENACTED, That the Installment Purchase
24 Agreement hereby authorized shall constitute, and they shall be recite, an irrevocable
25 pledge of the full faith and credit and unlimited taxing power of the County to the
26 payment of the maturing purchase price under the Installment Purchase Agreement
27 and the interest thereon are paid in full, the County shall levy or cause to be levied ad
28 valorem taxes upon all the assessable property within the corporate limits of the
29 county in rate and amount sufficient, together with any recordation tax revenues
30 designated for such payments and other available funds, to provide for or assure the
31 payment, when due, of the purchase price of all outstanding Installment Purchase
32 Agreements and the interest thereon maturing in each such fiscal year and, in the
33 event the proceeds from the taxes so levied in any such fiscal year shall prove
34 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal
35 year to make up any such deficiency. The County may apply to the payment of the
36 purchase price of the outstanding Installment Purchase Agreements and interest
37 payable thereon any funds received by it from the State of Maryland, the United
38 States of America, or any agency or instrumentality thereof, or from any other source,
39 if such funds are granted for the purpose of assisting the County in financing the
40 acquisition of transfer development rights in agricultural or forestry land located in
41 Calvert County, Maryland and to the extent of any such funds received or receivable
42 in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

43 SECTION 6. AND BE IT FURTHER ENACTED, That the County is authorized
44 and empowered to purchase and set aside in a segregated fund or account U.S.
45 Treasury STRIPs or other obligations allowed under Article 95, Section 22, 22F, and
46 22G of the Annotated Code of Maryland (or any successor provision of law) and the

1 County's guidelines, as in effect from time to time. It is intended that investments in
2 that segregated fund or account will be applied to the payment of the balance of the
3 purchase price of the Installment Purchase Agreements on their respective maturity
4 dates; but the investments shall not be pledged to the payment of the purchase price
5 of any of the Installment Purchase Agreements or the interest thereon, and no person
6 other than the County shall have any interest therein.

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

14 SECTION 8. AND BE IT FURTHER ENACTED, That the authority conferred
15 on the County by this Act to enter into Installment Purchase Agreements and create
16 debt of the County shall be deemed to provide an additional and alternative authority
17 for borrowing money and creating debt and shall be regarded as supplemental and
18 additional to powers conferred upon the County by other laws and shall not be
19 regarded as in derogation of any power now existing; and all Acts of the General
20 Assembly of Maryland heretofore passed authorizing the County to borrow money
21 and incur debt are hereby continued to the extent that the powers contained in those
22 prior Acts have not been exercised, and nothing contained in this Act may be
23 construed to impair, in any way, the validity of any bonds or other obligations that
24 may have been entered into by the County under the authority of any of said Acts, and
25 the validity of the bonds or other obligations is hereby ratified, confirmed, and
26 approved. This Act, being necessary for the welfare of the inhabitants of Calvert
27 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
28 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
29 such inconsistency.

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