
By: **Delegate Owings (Calvert County Delegation)**
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Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
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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 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

1 investment guidelines of Calvert County to pay the balance of the purchase
2 price of the installment purchase agreements payable on their maturity dates;
3 and relating generally to the County's entering into installment purchase
4 agreements to acquire transfer development rights in agricultural and forestry
5 lands in Calvert County.

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That, as used herein, the term "County" means the body politic and
8 corporate of the State of Maryland known as the County Commissioners of Calvert
9 County; and the term "Installment Purchase Agreement" means an agreement
10 pursuant to which the County will acquire transfer development rights in one or more
11 tracts or parcels of agricultural or forestry land located in Calvert County, Maryland
12 from the owners thereof, will pay the purchase price for that land either in
13 installments or at the maturity of the Installment Purchase Agreement and will pay
14 interest on the unpaid balance of that purchase price.

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

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

31 SECTION 4. AND BE IT FURTHER ENACTED, That each Installment
32 Purchase Agreement shall be entered into in accordance with a resolution of the
33 County, which shall provide for the acquisition of the transfer development rights in
34 one or more specified particular tracts or parcels of agricultural or forestry property
35 located in Calvert County, Maryland which is to be the subject of the Installment
36 Purchase Agreement. The County shall have and is hereby granted full and complete
37 authority and discretion in the resolution to specify the tracts or parcels of
38 agricultural or forestry land the transfer development rights of which are to be
39 acquired and to provide and approve the form, tenor and content of the Installment
40 Purchase Agreement described in the resolution, including, without limitation, (a) the
41 designation, (b) the ~~date~~ date, (c) the purchase price thereunder (or the maximum
42 purchase price and the method of determining the final purchase price subject to such
43 limitation), (d) the maturity date of the Installment Purchase Agreement (not
44 exceeding 30 years from the date of execution and delivery of the Installment
45 Purchase Agreement) on which the final balance of the purchase price is payable, (e)

1 whether any portion of the purchase price will be payable prior to the maturity date
 2 of the Installment Purchase Agreement, and, if so, the dates of payments of any
 3 installments of the purchase price and the amounts of such installments (or the
 4 methods or formula for determining such installment dates and amounts), (f) the
 5 interest rate per annum (or the method of determining such rate) payable on, the
 6 Installment Purchase Agreement from time to time and the dates for payment of such
 7 interest, (g) the terms and conditions, if any, under which the Installment Purchase
 8 Agreement may or shall be redeemed prior to its maturity date, (h) provisions relating
 9 to the registration and transfer of the Installment Purchase Agreement, (i) the
 10 required signatures on the Installment Purchase Agreement and all related
 11 documents, (j) the appointment of a paying agent and registrar for the Installment
 12 Purchase Agreement, which may be the Director of Administration and Finance of the
 13 County, any other employee of the County, any department of the County government
 14 or any bank or trust company within or without the State of Maryland having
 15 corporate trust powers, (k) covenants relating to compliance with applicable
 16 requirements of federal income tax law, including (without limitation) covenants
 17 regarding the payment of rebate or penalties in lieu of ~~rebated rebate~~, and (l)
 18 generally all matters incident to the acquisition of the transfer development rights
 19 and the terms, conditions, execution and delivery of the Installment Purchase
 20 Agreement.

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

32 SECTION 5. AND BE IT FURTHER ENACTED, That the Installment Purchase
 33 ~~Agreement~~ Agreements hereby authorized shall constitute, and they shall ~~be so~~
 34 recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of
 35 the County to the payment of the maturing purchase price under the Installment
 36 Purchase ~~Agreement~~ Agreements and the interest on the unpaid balance of that
 37 purchase price as and when they become payable. In each and every year until all of
 38 the purchase price payable under the Installment Purchase Agreements and the
 39 interest thereon are paid in full, the County shall levy or cause to be levied ad
 40 valorem taxes upon all the assessable property within the corporate limits of the
 41 county in rate and amount sufficient, together with any recordation tax revenues
 42 designated for such payments and other available funds, to provide for or assure the
 43 payment, when due, of the purchase price of all outstanding Installment Purchase
 44 Agreements and the interest thereon maturing in each such fiscal year and, in the
 45 event the proceeds from the taxes so levied in any such fiscal year shall prove
 46 inadequate for such payment, additional taxes shall be levied in the succeeding fiscal
 47 year to make up any such deficiency. The County may apply to the payment of the

1 purchase price of the outstanding Installment Purchase Agreements and interest
2 payable thereon any funds received by it from the State of Maryland, the United
3 States of America, or any agency or instrumentality thereof, or from any other source,
4 if such funds are granted for the purpose of assisting the County in financing the
5 acquisition of transfer development rights in agricultural or forestry land located in
6 Calvert County, Maryland and to the extent of any such funds received or receivable
7 in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

8 SECTION 6. AND BE IT FURTHER ENACTED, That the County is authorized
9 and empowered to purchase and set aside in a segregated fund or account U.S.
10 Treasury STRIPs or other obligations allowed under Article 95, Section 22, 22F, and
11 22G of the Annotated Code of Maryland (or any successor provision of law) and the
12 County's guidelines, as in effect from time to time. It is intended that investments in
13 that segregated fund or account will be applied to the payment of the balance of the
14 purchase price of the Installment Purchase Agreements on their respective maturity
15 dates; but the investments shall not be pledged to the payment of the purchase price
16 of any of the Installment Purchase Agreements or the interest thereon, and no person
17 other than the County shall have any interest therein.

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

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

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

