
By: **St. Mary's County Delegation**

Introduced and read first time: January 19, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **St. Mary's County - Agricultural Land Preservation Program - General**
3 **Obligation Installment Purchase Agreements**

4 FOR the purpose of authorizing and empowering the County Commissioners of St.
5 Mary's County, from time to time, to enter into installment purchase
6 agreements for an aggregate purchase price of not more than \$20,000,000, plus
7 interest thereon, to acquire under certain criteria transfer development rights in
8 tracts or parcels of agricultural and forestry land located in St. Mary's 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
18 installment purchase agreements; providing that the County's obligation to
19 make payments of the purchase price under the installment purchase
20 agreements and to pay interest thereon shall be a general obligation of the
21 County made upon its full faith and credit; empowering and directing the
22 County to levy, impose, and collect, annually, ad valorem taxes in rate and
23 amount sufficient to provide funds for the payment of the maturing purchase
24 price of and interest on the installment purchase agreements; exempting the
25 installment purchase agreements and the interest thereon and any income
26 derived therefrom from all State, county, municipal, and other taxation in the
27 State of Maryland; authorizing and empowering the County to purchase and set
28 aside in a segregated fund or account U.S. Treasury STRIPs or other
29 investments allowed under certain provisions of the law and the investment
30 guidelines of St. Mary's County to pay the balance of the purchase price of the
31 installment purchase agreements payable on their maturity dates; and
32 generally relating to the County's entering into installment purchase
33 agreements to acquire transfer development rights in agricultural and forestry
34 lands in St. Mary's County.

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

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

20 SECTION 3. AND BE IT FURTHER ENACTED, That the County shall select
21 the tracts or parcels of agricultural or forestry land for which transfer development
22 rights are to be acquired and shall negotiate the purchase price for such transfer
23 development rights and all other terms and conditions of the Installment Purchase
24 Agreement with the owner or owners of such property, all in accordance with the
25 County's Agricultural Land Preservation Program as in effect from time to time. In
26 selecting the tracts or parcels of agricultural or forestry land for purposes of acquiring
27 transfer development rights, the County shall to the extent possible select
28 agricultural or forestry land equitably among the County election districts that are
29 set by the County Commissioners.

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

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

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

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

1 outstanding Installment Purchase Agreements and interest payable thereon any
2 funds received by it from the State of Maryland, the United States of America, or any
3 agency or instrumentality thereof, or from any other source, if such funds are granted
4 for the purpose of assisting the County in financing the acquisition of transfer
5 development rights in agricultural or forestry land located in St. Mary's County,
6 Maryland and to the extent of any such funds received or receivable in any fiscal year,
7 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, §§ 22, 22F, and 22G of
11 the Annotated Code of Maryland (or any successor provision of law) and the County's
12 guidelines, as in effect from time to time. It is intended that investments in that
13 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 on the County by other laws and shall not be regarded
30 as in derogation of any power now existing; and all Acts of the General Assembly of
31 Maryland heretofore passed authorizing the County to borrow money and incur debt
32 are hereby continued to the extent that the powers contained in those prior Acts have
33 not been exercised, and nothing contained in this Act may be construed to impair, in
34 any way, the validity of any bonds or other obligations that may have been entered
35 into by the County under the authority of any of said Acts, and the validity of the
36 bonds or other obligations is hereby ratified, confirmed, and approved. This Act, being
37 necessary for the welfare of the inhabitants of St. Mary's County, shall be liberally
38 construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with
39 the provisions of this Act are hereby repealed to the extent of such inconsistency.

40 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect
41 June 1, 2005.