

# HOUSE BILL 90

L2, M4

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

Introduced and read first time: January 13, 2020

Assigned to: Environment and Transportation

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Committee Report: Favorable

House action: Adopted

Read second time: March 3, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **St. Mary's County – Agricultural Land Preservation Program – Installment**  
3 **Purchase Agreements – Repeal**

4 FOR the purpose of repealing certain provisions of law relating to the authority of the  
5 County Commissioners of St. Mary's County to enter into certain installment  
6 purchase agreements and create debt to acquire certain development rights for  
7 agricultural or forestry land as part of the St. Mary's County Agricultural Land  
8 Preservation Program; and generally relating to the St. Mary's County Agricultural  
9 Land Preservation Program.

10 BY repealing

11 Chapter 526 of the Acts of the General Assembly of 2005

12 Section 1 through 8

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
14 That the Laws of Maryland read as follows:

15 **Chapter 526 of the Acts of 2005**

16 [SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
17 That, as used herein, the term "County" means the body politic and corporate of the State  
18 of Maryland known as the County Commissioners of St. Mary's County; and the term  
19 "Installment Purchase Agreement" means an agreement pursuant to which the County will  
20 acquire development rights in one or more tracts or parcels of agricultural or forestry land  
21 located in St. Mary's County, Maryland from the owners thereof, will pay the purchase

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 price either in installments or at the maturity of the Installment Purchase Agreement and  
2 will pay interest on the unpaid balance of that purchase price.]

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

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

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

1 employee of the County, any department of the County government or any bank or trust  
2 company within or without the State of Maryland having corporate trust powers, (k)  
3 covenants relating to compliance with applicable requirements of federal income tax law,  
4 including (without limitation) covenants regarding the payment of rebate or penalties in  
5 lieu of rebate, and (l) generally all matters incident to the acquisition of the transfer  
6 development rights and the terms, conditions, execution and delivery of the Installment  
7 Purchase Agreement.

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

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

40 [SECTION 6. AND BE IT FURTHER ENACTED, That the County is authorized and  
41 empowered to purchase and set aside in a segregated fund or account U.S. Treasury STRIPs  
42 or other obligations allowed under Article 95, §§ 22, 22F, and 22G of the Annotated Code of  
43 Maryland (or any successor provision of law) and the County's guidelines, as in effect from  
44 time to time. It is intended that investments in that segregated fund or account will be

1 applied to the payment of the balance of the purchase price of the Installment Purchase  
2 Agreements on their respective maturity dates; but the investments shall not be pledged to  
3 the payment of the purchase price of any of the Installment Purchase Agreements or the  
4 interest thereon, and no person other than the County shall have any interest therein.]

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
28 1, 2020.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.