

HOUSE BILL 90

L2, M4

0lr1030

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

Introduced and read first time: January 13, 2020

Assigned to: Environment and Transportation

A BILL ENTITLED

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

24 [SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
25 authorized and empowered to enter into Installment Purchase Agreements for an

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 aggregate purchase price of not more than \$20,000,000, plus interest thereon, to acquire
2 development rights in tracts or parcels of agricultural and forestry land located in St.
3 Mary's County, Maryland as part of the County's Agricultural Land Preservation Program.
4 The County's obligation to make payments of the purchase price under each Installment
5 Purchase Agreement and to pay interest on the unpaid balance of the purchase price under
6 each Installment Purchase Agreement shall be a general obligation of the County and shall
7 be made upon its full faith and credit, and shall be evidenced by the Installment Purchase
8 Agreement.]

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

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

1 development rights and the terms, conditions, execution and delivery of the Installment
2 Purchase Agreement.

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

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

35 [SECTION 6. AND BE IT FURTHER ENACTED, That the County is authorized and
36 empowered to purchase and set aside in a segregated fund or account U.S. Treasury STRIPs
37 or other obligations allowed under Article 95, §§ 22, 22F, and 22G of the Annotated Code of
38 Maryland (or any successor provision of law) and the County's guidelines, as in effect from
39 time to time. It is intended that investments in that segregated fund or account will be
40 applied to the payment of the balance of the purchase price of the Installment Purchase
41 Agreements on their respective maturity dates; but the investments shall not be pledged to
42 the payment of the purchase price of any of the Installment Purchase Agreements or the
43 interest thereon, and no person other than the County shall have any interest therein.]

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2020.