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**By: Senator Hafer**

Introduced and read first time: January 29, 1997

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 14, 1997

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Garrett County - Purchase of Real Property - Financing**

3 FOR the purpose of authorizing the County Commissioners of Garrett County to enter  
4 certain financing agreements for the purchase of real property and to secure the  
5 financing in a certain manner; capping the maximum authorized amount of debt  
6 under this Act; specifying the maximum duration of financing agreements and  
7 requiring that the County Commissioners reserve a specified right; requiring that  
8 certain taxes be imposed to meet specified obligations; requiring that certain  
9 documents be reviewed by the attorney for the County Commissioners; and  
10 generally relating to authorization for the Garrett County Commissioners to finance  
11 the purchase of real property through financial instructions or with the seller of the  
12 property.

13 BY adding to

14 The Public Local Laws of Garrett County

15 Section 20-16.2

16 Article 12 - Public Local Laws of Maryland

17 (1985 Edition and December 1996 Supplement, as amended)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article 12 - Garrett County**

21 20-16.2.

22 A. SUBJECT TO SUBSECTIONS B THROUGH D OF THIS SECTION, THE COUNTY

23 COMMISSIONERS BY RESOLUTION MAY:

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1                   (1) ENTER INTO AN AGREEMENT TO FINANCE THE PURCHASE OF REAL  
2 PROPERTY PURCHASED BY THE COUNTY FOR ANY PUBLIC PURPOSE  
3 THROUGH A FINANCIAL INSTITUTION OR WITH A PERSON SELLING  
4 THE PROPERTY AT AN INTEREST RATE AND UNDER TERMS AND  
5 CONDITIONS THAT THE COUNTY COMMISSIONERS DEEM IN THE  
6 BEST INTEREST OF THE COUNTY; AND

7                   (2) SECURE THE FINANCING THROUGH A MORTGAGE OR OTHER  
8 INSTRUMENT UNDER TERMS THAT THE COUNTY COMMISSIONERS  
9 DEEM APPROPRIATE.

10                  B. (1) THE TOTAL AMOUNT OF COUNTY DEBT ENTERED UNDER THIS  
11 SECTION MAY NOT EXCEED \$500,000 AT ANY POINT IN TIME.

12                   (2) A FINANCING AGREEMENT ENTERED UNDER THIS SECTION MAY  
13 NOT EXTEND BEYOND A 20-YEAR PERIOD AND SHALL RESERVE TO  
14 THE COUNTY THE RIGHT TO PREPAY THE DEBT AT ANY TIME AT  
15 THE OPTION OF THE COUNTY COMMISSIONERS WITHOUT ANY  
16 PENALTY.

17                  C. IN ANY FISCAL YEAR IN WHICH DEBT UNDER THIS SECTION IS  
18 OUTSTANDING, THE COUNTY COMMISSIONERS SHALL LEVY AD VALOREM  
19 TAXES ON THE ASSESSABLE PROPERTY IN THE COUNTY AT A RATE AND  
20 AMOUNT SUFFICIENT TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL  
21 AND INTEREST UNDER ANY FINANCING AGREEMENT ENTERED UNDER  
22 THIS SECTION AS IT BECOMES DUE.

23                  D. BEFORE THE COUNTY COMMISSIONERS ADOPT A RESOLUTION UNDER  
24 THIS SECTION, THE FINANCING AGREEMENT AND ANY RELATED  
25 DOCUMENTS SHALL BE REVIEWED BY THE ATTORNEY FOR THE COUNTY  
26 COMMISSIONERS FOR LEGAL SUFFICIENCY.

27                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 July 1, 1997.