

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 440(c)(1), 440(d)(4), 440(f) and 441(d)(2) and 441(g) of Article 41 - Governor-Executive and Administrative Departments, of the Annotated Code of Maryland (1971 Replacement Volume and 1973 Supplement) be and they are hereby repealed and re-enacted, with amendments, to read as follows:

Article 41 - Governor-Executive and Administrative  
Departments

440.

(c)(1) Upon approval of a loan, the Secretary shall enter into a loan agreement with the borrowing subdivision providing for payment of interest only, at a rate determined by the Secretary in accordance with this section, commencing upon the date of the loan and continuing until the land is sold or leased by the subdivision in accordance with this section or for five years from the date of the loan, whichever is sooner. Upon any such sale of the land or part thereof, [[the entire purchase price]] SO MUCH OF THE SALE PRICE AS EQUALS THE AMOUNT OF THE LOAN TIMES THE PROPORTION OF THE LAND SOLD OF THE TOTAL LAND COVERED BY THE LOAN shall be applied in reduction of the principal balance of the loan plus accrued interest thereon. Upon any such lease, the subdivision shall commence amortizing the loan over a period not exceeding forty years in accordance with an amortization schedule approved by the Secretary. If, at the end of five years from the date of the loan, the subdivision has not sold or leased all of the land in accordance with this section, it shall commence amortization of the remaining balance of the loan over a twenty-year period in accordance with an amortization schedule approved by the Secretary.

(d)(4) Any lease of the land shall provide for annual rental payments in amounts at least equal to the amortization payments required to be made by the subdivision. A lease may contain an option on the part of the lessee to purchase the land, provided that (i) the option price is not less than the minimum price at which the land could be sold, as set forth in subsection (d)(2) hereof, excluding any rental payments made or required under the lease, and (ii) upon the exercise of any such option and payment of the option price, the [[entire principal balance and accrued interest owed by the subdivision under the loan agreement shall become immediately due and payable]] REQUIRED PREPAYMENT OF THE LOAN SHALL BE MADE.

(f) The Secretary may, upon application, and after investigation, approve a loan not exceeding [\$5,000]