

File No. 28092-c

Baltimore, June 11, 1923.

Mr. Ralph C. Sharretts, Secretary,
Public Improvement Commission,
City Hall, City.

In re: Obligation of Public Improvement
Commission to provide for the pay-
ment of the Baltimore County Water
Company bonds and interest thereon
out of the loan funds

Dear Sir:

13809

I have your letter of the 24th ultimo, with reference to the obligation of the Public Improvement Commission to provide for the payment of the outstanding bonds of the Baltimore County Water Company and interest thereon out of the water loan funds.

Under the provisions of Section 1 and paragraph 4 headed "Condemnation of Property" of Section 6 of the Charter, the City of Baltimore has complete authority to acquire less than a fee simple interest in any land, or to purchase the same subject to an outstanding mortgage, and to discharge said mortgage at its maturity, in the meantime paying the interest thereon.

In addition, by the very terms of Chapter 374 of the Acts of 1920, which authorized the Water Loan, out of the proceeds of which the property of the Baltimore County Water Company, subject to its then outstanding mortgage indebtedness, was purchased, the City was given the power "in its discretion to acquire by purchase or condemnation the capital stock of any or all of said water companies", the water companies referred to being those which were then furnishing water to the inhabitants of the territory annexed to the City by Chapter 82 of the Acts of 1918.

As under this power, the City could have purchased or condemned the capital stock of any of said water companies, which would necessarily have placed the control of all of the property of the water company so purchased or condemned in the City, subject to any outstanding mortgage, it could also purchase all the property of the company subject to such outstanding mortgage indebtedness.

The property having been legally acquired by the City, subject to the outstanding mortgage indebtedness, in my opinion, it is optional with the Public Improvement Commission to provide funds out