

1 come in and the indebtedness is paid off, and this is a
2 useful tool, equally as useful as another fiscal technique,
3 which is known as bond anticipation financing. Bond
4 anticipation financing is being used today, as a matter
5 of fact, in quite a prevalent way because as many of you
6 know, interest rates today are at all time highs, and
7 a lot of the communities are reluctant to commit their
8 governments to a long term borrowing at these high interest
9 rates, so to get away from this, what they are doing is
10 borrowing short term in anticipation of permanent finan-
11 cing, and we call this bond anticipation financing, and
12 there is no provision in the existing Maryland Constitution
13 to do this. Both tax anticipation borrowing and bond
14 anticipation borrowing are covered in the new draft in
15 the first sentence, where it says, That the State shall
16 have the power to incur indebtedness for any public pur-
17 poses. Those words, in and of themselves, are sufficient
18 to cover first permanent financing, second, bond anticipa-
19 tion financing, third, tax anticipation financing. That
20 being true, the sentence in old 34 that I read a few
21 moments ago will be eliminated; beginning at Line 27,