

SEC. 2. *Be it further enacted*, That for the purposes of the erection of the extension of the Maryland penitentiary and the equipment thereof, a loan be and the same is hereby created, to be called the penitentiary loan, to the amount of five hundred thousand dollars; and the said loan hereby created shall, in all its parts, bear date the first day of July, 1896, and shall bear interest at a rate to be fixed by the Governor, the Comptroller of the Treasury and the Treasurer of this State, or a majority of them, not to exceed 3.65 per centum per annum, payable on the first days of January and July in each and every year, and the said loan and every part thereof, and the interest payable thereon, shall be and remain exempt from all State, county and municipal taxation, and the principal amount of the said loan shall be redeemable at the pleasure of the State of Maryland after the first day of July, in the year 1906.

SEC. 3. *Be it further enacted*, That the Governor, Comptroller of the Treasury and Treasurer, or a majority of them, be and they are hereby authorized and directed to have prepared proper certificates of indebtedness of this State in good and sufficient form to the aggregate amount of five hundred thousand dollars, as evidences of such loans; such certificates of indebtedness shall each bear date the first day of July, 1896, and shall not be issued for less sums than one hundred dollars each, or some multiple thereof, except in cases where the due execution of the provisions of this act may require the issue of certificate or certificates of indebtedness expressing in part a fraction or fractions of one hundred dollars; each of said certificates of indebtedness shall be signed by the Treasurer of the State, and countersigned by the Comptroller of the Treasury thereof, and shall bear interest at a rate not to exceed 3.65 per centum per annum, payable semi-annually on the first day of January and the first day of July, of each year; such proportion of such certificates of indebtedness shall be registered, and such portion shall have interest coupons attached thereto, as said Governor, Comptroller of the Treasury or Treasurer, or a majority of them may determine; each of said certificates of indebtedness shall be payable fifteen years after the date thereof, but shall be redeemable at the pleasure of the State of Maryland, after the first day of July in the year 1906, and each of said certificates of indebtedness, and the respective debts evidenced thereby, shall be exempt from all State, county and municipal taxation.

Creation of loan.

To issue certificates of indebtedness.