

*Negotiability of Public Indebtedness.*

30. In all cases where this State or any county, municipal or public corporation or other political subdivision thereof, or where any instrumentality or agency of said State or of any county, municipal or public corporation or other political subdivision thereof, shall have issued and sold or may hereafter issue and sell, pursuant to proper authority duly granted, securities which, by such authority or by the resolution or ordinance providing for the same, are limited, as to the payment of the principal and interest thereof, to the proceeds of the collection of special assessments, tolls, rents, special taxes, or other limited sources of revenue, or where such principal and interest are, by such authority, resolution or ordinance, made payable only from some special fund established for that purpose, or where such issuer is limited by law in the amount or rate of taxation which may be levied or imposed for the purpose of paying such principal and interest, then, notwithstanding that the promise to pay contained in any such securities shall be deemed to be conditional within the meaning of Section 20 of Article 13 of the Code of Public General Laws of Maryland, such securities shall nevertheless pass as negotiable instruments and shall possess all the attributes thereof, but no more, as are possessed by securities which any such issuer could or might be authorized to issue on its full faith and credit, secured as to payment of principal and interest by its unlimited taxing power, provided always that the securities herein referred to shall comply in all other respects with the provisions of the negotiable instruments law as the same appears in said Article 13.

SEC. 2. *And be it further enacted*, That this Act shall take effect June 1, 1939.

Approved May 27, 1939.

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CHAPTER 630.

(House Bill 702)

AN ACT to add a new sub-title and three new sections to Article 31 of the Code of Public General Laws of Maryland, title "Debt—Public", said new sub-title to be known as "Conditions Upon Sale of Public Securities", and said new sections to be known as Sections 31, 32 and 33, to follow immediately after Section 30 of said Article, said Section 31 containing definitions of the terms used in the following two