

## CHAPTER 73

(House Bill 130)

AN ACT to add a new section to Article 31 of the Annotated Code of Maryland (1957 Edition), title "Debt—Public", sub-title "Public Securities", said new section to be known as Section ~~18~~ 12 of said Article and to follow immediately after Section ~~17~~ 11 thereof, providing authority to political sub-divisions in this State to issue notes in anticipation of the issuance of bonds, from the proceeds of which bonds said notes will be paid, and providing for the method for the issuance and sale of said notes.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That there is hereby added a new section to Article 31 of the Annotated Code of Maryland (1957 Edition), title "Debt—Public", sub-title "Public Securities", said new section to be known as Section ~~18~~ 12 of said Article and to follow immediately after Section ~~17~~ 11 thereof and to read as follows:

Section ~~18~~ 12.

(a) Any political sub-division of this State now or hereafter authorized to issue its bonds or other obligations for any proper public purpose is hereby authorized and empowered at one time or from time to time to issue and sell its bond anticipation notes, in aggregate amount not greater than the authorized amount of the bonds in anticipation of the sale of which said notes are issued and sold, the principal of and interest on said notes to be made payable to the bearer or registered holder thereof out of the first proceeds of sale of said bonds, or from the tax or other revenues which said political sub-division shall have previously determined to apply to the payment of said bonds and the interest thereon. The proceeds of sale of such notes, after payment therefrom of the expenses of the issuance thereof, shall be expended only on the public purposes for which said bonds are authorized, provided, however, that twelve (12) months' interest on said notes, or any renewal thereof, may be paid from said proceeds, accounting from the initial date of issue thereof. Such notes shall be authorized by ordinance, resolution, or other form of official action customarily used by such political sub-division, which shall cite the authority for said notes and bonds and the amount authorized, shall fix the maturities, interest rates or the manner of determining the same, and other terms of such bond anticipation notes, the price or prices at which said notes will be sold, which may be at, above or below the face value thereof, and the manner of their sale, which may be by private negotiation by the political sub-division with a prospective purchaser or purchasers if deemed by said political sub-division to be for its best interest. Said resolution or ordinance may provide for the issuance of said notes, pursuant to such sale, in series as funds are required, and may also provide for the renewal of said notes at maturity with or without resale. ~~All such notes shall be signed and endorsed in the same manner as shall be~~

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.