

(ii) There shall next be determined the total amount of State debt which could be serviced at prevailing debt service cost by the amount allocable to each of the counties and to the City of Baltimore, as more specifically provided in the last preceding sentence of this sub-paragraph.

(iii) The amount of total State debt allocable to each of the counties and to the City of Baltimore, as provided in the last preceding sentence of this sub-paragraph, shall be the limit of participation for each of the counties applying for financial assistance under the terms of this Act and for the City of Baltimore if said City applies for financial assistance under the terms of this Act.

(d) The calculations more particularly outlined in this sub-paragraph shall be made as of the date when the application for financial assistance made by any of the counties or made by the City of Baltimore has been received by the State Board of Education.

(e) Each of the counties and the City of Baltimore whose request for financial assistance has been allowed, as provided in sub-paragraph (b) of this sub-section (but as limited by sub-paragraph (c) of this sub-section), shall execute and acknowledge in a manner according to law an agreement which shall specify that: (1) the amount of financial assistance allowed, as provided herein, together with interest and carrying charges, shall be deducted by the Comptroller of the Treasury from funds due said counties and City under applicable provisions of State law relating to the income tax, the tax on racing, the recordation tax, the tax on amusements, the license tax and the incentive fund for school buildings and shall be so deducted within fourteen (14) years from the date of the issuance of the certificates; and (2) such other terms and conditions as may be required by regulation of the State Board of Education, and approved by the Board of Public Works.

(f) The agreement described in sub-paragraph (d) of this sub-section shall be signed on behalf of the State of Maryland by the State Board of Education, and shall be approved by the Board of Public Works.

(g) The governing body of each of the counties in this State and the Mayor and City Council of Baltimore are hereby authorized and empowered to enter into any and all contracts or agreements required under the terms of this Act, or which may be required by regulations duly promulgated by the State Department of Education or the Board of Public Works pursuant to the provisions of this Act, any other provisions of public general law or of public local law to the contrary notwithstanding.

SEC. 6. *And be it further enacted,* That all proceeds deducted from the counties of this State which have been granted financial assistance under the provisions of this Act and from the City of Baltimore if said City has been granted financial assistance under this Act, under agreements signed with the aforesaid counties or the aforesaid City, all as more particularly provided in Section 5 of this Act, shall be deposited in a reserve fund by the State Comptroller; such reserve fund to be only used for the payment of the principal and interest on any and all certificates issued by the State of Maryland pursuant to the terms of this Act.