

title "Debt—Public", sub-title "Public Securities", sub-heading "Conditions Upon Sale of Public Securities" ~~to change the definition of the political sub-division authorized to issue certain public bond anticipation notes.~~ AMENDING THE LAWS CONCERNING THE ISSUE OF BOND ANTICIPATION NOTES BY CERTAIN POLITICAL SUB-DIVISIONS AND PUBLIC BODIES.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 12 of Article 31 of the Annotated Code of Maryland (1960 Supplement), title "Debt—Public", sub-title "Public Securities", sub-heading "Conditions Upon Sale of Public Securities" be and is hereby repealed and re-enacted, with amendments, to read as follows:

12.

(a) Any [political subdivision of this State] *public body* 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 bonds 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 revenue which said [political sub-division] *public body* 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 subdivision] *public body*, 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 subdivision] *public body* with a prospective purchaser or purchasers if deemed by said [political subdivision] *public body* 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, endorsed or guaranteed in the same manner as shall be provided by law for the bonds in anticipation of which said notes are issued, and no such notes shall be issued hereunder unless so signed, endorsed or guaranteed.

(b) No such bond anticipation notes shall be issued and sold hereunder unless said [political subdivision] *public body* shall, be the resolution or ordinance authorizing said notes, covenant to pay the same and the interest thereon from the proceeds of the bonds in anticipation of the sale of which said notes are issued and shall further covenant to issue said bonds when, and as soon as, the reason for deferring the issuance thereof no longer exists.