

(2) No bonds shall be issued by any code county except for cash or be sold at less than par value thereof, nor shall they bear interest at a rate or rates in excess of ~~five~~ SIX per centum per annum; and

(3) If a valid petition for referendum is filed with the Board of Supervisors of Elections in regard to a public local law enacted by the Board of County Commissioners of a code county and authorizing the issuance of bonds, the bonds authorized by the public local law shall be issued only if a majority of the registered voters voting on the public local law approve it; and

(4) All bonds sold by a code county shall be subject to the provisions of Sections 9 to 11, inclusive, of Article 31 of this Code, as amended from time to time, unless the public local law authorizing the bonds specifically exempts them from the provisions of these sections.

17. Bonds to be negotiable; exemption from taxation.

All bonds issued by any code county in accordance with this subtitle shall have and possess all the attributes of negotiable instruments as provided in Section 8 of Article 31 of this Code and in Section 8 of Article 95B of this Code. The principal of and interest on any bonds in the hands of the owner or owners thereof from time to time shall be and remain exempt from taxation of any kind or nature whatsoever by the State of Maryland and by any county, municipal corporation, or other political subdivision thereof.

18. Investment of sinking fund and proceeds of bonds.

A sinking fund established by any code county to provide for the payment of the principal of or interest on any bonds issued by the code county pursuant to the provisions of this subtitle shall not be invested by the fiscal officer of the county having custody of the sinking fund except in the manner prescribed by Sections 6 and 7 of Article 31 of this Code. Any fiscal officer having custody of the proceeds of sale of the bonds may invest the proceeds, pending the expenditure thereof, in the manner and pursuant to the provisions of Section 22 of Article 95 of this Code.

19. Bonds to constitute pledge of faith and credit and taxing power; effect of limitation on tax rate or county indebtedness; pledge of additional revenues.

(a) Pledge of faith and credit of county. Except as provided in Section 20, all bonds issued by any code county pursuant to this subtitle shall constitute pledges of the faith and credit of the issuing county to the prompt payment, from the taxes and other revenues described in the public local law authorizing such bonds, of the principal of and interest on the bonds when due.

(b) Covenant to levy taxes. If at the time of the issuance of the bonds there is no statutory limit on the power of the code county to levy property taxes, this pledge constitutes a covenant on the part of the county issuing the bonds to levy upon all real and tangible personal property within its boundaries subject to assessment for unlimited county taxation, ad valorem taxes in rate and amount sufficient in each year in which any of the bonds are outstanding to provide for the payment of the principal of and the interest on the bonds.