

(House Bill 1649)

AN ACT concerning

Prince George's County and Anne Arundel County -
Security for Borrowing
PG 415-80

FOR the purpose of providing limitations on the effect of any provision of the charter of Prince George's County or of Anne Arundel County with respect to the pledge of unlimited taxing powers to the payment of the principal of and interest on borrowings by such county; permitting each of said counties to create pledged funds to provide for the payment of principal of and interest on borrowings by that county; permitting each of said counties to pledge revenues for payment of principal of and interest on such borrowings; and limiting the effect of any charter provision of either of said counties restricting the levy or collection of taxes required to provide for the payment of principal of and interest on such borrowings that occurred prior to the effective date of such charter provision.

BY adding to

Article 31 - Debt - Public
Section 2D
Annotated Code of Maryland
(1976 Replacement Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 31 - Debt - Public

2D.

(A) A PRESENT OR FUTURE PROVISION OF THE CHARTER OF PRINCE GEORGE'S COUNTY OR OF ANNE ARUNDEL COUNTY THAT REQUIRES OR HAS THE EFFECT OF REQUIRING THAT SUCH COUNTY PLEDGE ITS UNLIMITED TAXING POWERS, EITHER AS TO RATE OR AMOUNT, FOR THE REPAYMENT OF ITS INDEBTEDNESS, SHALL NOT BE GIVEN EFFECT IF ANY OTHER PROVISION OF THE CHARTER OF THAT COUNTY ADOPTED AFTER THE PROVISION THEREOF REQUIRING SUCH PLEDGE IS INCONSISTENT WITH SUCH PLEDGE.

(B) FOR THE PURPOSE OF PROVIDING SECURITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BORROWINGS BY PRINCE GEORGE'S COUNTY OR BY ANNE ARUNDEL COUNTY, THE BORROWING COUNTY, BY CHARTER PROVISION OR BY LEGISLATIVE ACT, (1) MAY PROVIDE FOR THE CREATION OF SINKING FUNDS, DEBT SERVICE FUNDS, DEBT SERVICE RESERVE FUNDS, OR OTHER TRUST FUNDS, INCLUDING FUNDS HELD BY A CORPORATE TRUSTEE, PLEDGED