

Approved May 19, 1981.

CHAPTER 772

(House Bill 1294)

AN ACT concerning

Maryland Industrial Land Act - Interest Rates

FOR the purpose of clarifying the interest rates that may be charged on loans made under the Maryland Industrial Land Act.

BY repealing and reenacting, with amendments,

Article 41 - Governor - Executive and Administrative
Departments
Section 440(c)(2)
Annotated Code of Maryland
(1978 Replacement Volume and 1980 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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 41 - Govenor - Executive and Administrative
Departments

440.

(c) (2) Each loan agreement shall include:

(i) A provision for payments of interest only for a 5-year period from the date of the loan;

(ii) A provision for payments of principal and interest, in accordance with an amortization schedule that the Secretary approves, for not more than a 40-year period from the end of the 5-year period;

(iii) A provision for an interest rate that equals the net interest costs of the:

1. [most] MOST recent sale of State general obligation bonds before the date of the loan plus 1/8 of 1 percent FOR A LOAN MADE FROM SOURCES OTHER THAN STATE GENERAL OBLIGATION BOND PROCEEDS; AND OR

2. SALE OF STATE GENERAL OBLIGATION BONDS OUT OF WHICH THE LOAN IS MADE PLUS 1/8 OF 1 PERCENT FOR A LOAN MADE FROM THE PROCEEDS OF A STATE GENERAL OBLIGATION BOND ISSUE;