

4-1. Authority to issue; issuance generally; guarantee; conditions and restrictions generally; funds to service certain bonds; county audits.

(a) For the purpose of providing funds for the design, construction, reconstruction, establishment, extension, enlargement, purchase or condemnation of the water, sewerage and drainage systems in the sanitary district, or in any other areas where extension of any of the aforementioned systems may be authorized by law, or for the construction, remodeling, enlargement or replacement of any office or operating building or buildings required for the administration or operation of any of [said] THE systems, including the acquisition of land or equipment, [said] THE commission is authorized and empowered to issue bonds of the sanitary district, from time to time, in such amounts as it may deem necessary to carry on its work, but the aggregate amount of bonds heretofore or hereafter issued under this section which may be outstanding at any time, less the amount held in the joint sinking fund account for the payment of the principal of [said] THE bonds, shall not exceed fourteen per centum (14%) of the total assessable basis of all property assessed for county taxation purposes within the sanitary district; provided, however, that in computing the amount of bonds which may be issued under this section, there shall not be included any bonds heretofore or hereafter issued for the payment of which the commission is required by law to fix and collect water service charges at least sufficient to pay the principal and interest requirements of such bonds. Bonds hereafter issued under the authority of this section shall be serial bonds with the principal of any given issue payable annually, commencing not more than three years from the date of the bonds. The bonds may be either registered or coupon bonds, or registerable as to principal with interest represented by coupons and issued in such denomination or denominations as shall be determined by the commission, shall bear interest [not to exceed five per centum (5%) per annum] AS PROVIDED IN § 4-4 OF THIS ARTICLE payable semi-annually and shall mature not exceeding forty years from the date of issue, and all bonds of [said] THE district or of [said] THE commission, including those heretofore issued, shall be forever exempt from taxation by the State of Maryland and by the counties and municipalities in [said] THE state. Any bonds hereafter issued by the Washington Suburban Sanitary Commission in its name or in the name of the Washington Suburban Sanitary District may be made redeemable before maturity at the option of the commission, at such price or prices and under such terms and conditions as may be fixed by the commission prior to the issuance of such bonds.

(b) They shall be issued under the hand and seal of the commission and shall be guaranteed as to payment of principal and interest by the county councils of both Montgomery and Prince George's counties, which guaranty shall be endorsed on each of the bonds in the following language: "The payment of interest when due and the