8-127. RESTRICTIONS ON USE.

(A) ENABLING ACT.

EXCEPT AS PROVIDED IN § 8-129 OF THIS SUBTITLE, THE PROCEEDS OF A SALE OF STATE BONDS MAY BE USED ONLY IN THE MANNER AND FOR A PROJECT OR PROGRAM THAT IS SPECIFIED IN THE ENABLING ACT UNDER WHICH THE STATE BONDS ARE ISSUED.

(B) BOARD.

(1) EXCEPT AS PROVIDED IN § 8-129 OF THIS SUBTITLE, THE PROCEEDS OF A SALE OF STATE BONDS MAY BE USED ONLY FOR A CAPITAL IMPROVEMENT UNLESS:

(I) THE ENABLING ACT SPECIFICALLY PROVIDES OTHERWISE; OR

(II) IN AN EMERGENCY, THE BOARD UNANIMOUSLY GRANTS A TEMPORARY EXCEPTION.

(2) THE BOARD SHALL DETERMINE WHETHER THE OBJECT OF AN EXPENDITURE IS A CAPITAL IMPROVEMENT. THE STANDARD FOR THIS DETERMINATION IS WHETHER THE USEFUL LIFE OF THE OBJECT EQUALS OR EXCEEDS THE LIFE OF THE STATE BONDS.

(C) ENFORCEMENT.

THE BOARD SHALL ENFORCE THE PROVISIONS OF THIS SECTION.

REVISOR'S NOTE: Subsection (a) of this section is new language derived without substantive change from the first clause of the first sentence of former Art. 31, § 2B(g) and the reference, in the first sentence of (a), to "purposes designated in the enabling acts". Although former Art. 31, § 2B applied only to consolidated issues, subsection (a) of this section is revised to apply to all issues of State bonds. This revision is supported by the references to "purposes" in former Art. 31, § 20.

Subsection (b) of this section is new language derived without substantive change from former Art. 78A, § 2 and, as it related to that section, § 5.

Subsection (c) of this section is new language derived without substantive change from former Art. 78A, § 6 as it related to § 2. Although former Art. 78A, § 6 applied only to former Art. 78A, §§ 2, 3, 4, and 5, subsection (c) of this section is revised to apply also to the provisions derived from former Art. 31, § 2B(a) and (g). This revision is supported by the authority granted to the Board in former Art. 31, § 2B.