Defined Term: "Bond" § 8-201

8-218. PAYMENT OF PRINCIPAL AND INTEREST.

(A) BOND ANTICIPATION NOTES.

(1) THE PRINCIPAL OF AND INTEREST ON BOND ANTICIPATION NOTES UNDER THIS PART III OF THIS SUBTITLE SHALL BE PAYABLE FROM:

(I) THE 1ST PROCEEDS OF SALE OF THE BONDS; OR

(II) THE TAX OR OTHER REVENUE THAT THE STATE UNIT HAS PLEDGED TO THE PAYMENT OF THE BONDS.

(2) NOT MORE THAN 1 YEAR'S INTEREST ON THE NOTES, OR ON ANY RENEWAL OF THE NOTES, ACCOUNTING FROM THE DATE OF THE INITIAL ISSUE OF THE NOTES, MAY BE PAID FROM THE PROCEEDS OF SALE OF THE NOTES.

(B) GRANT ANTICIPATION NOTES.

(1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE PRINCIPAL OF AND INTEREST ON GRANT ANTICIPATION NOTES UNDER THIS PART III OF THIS SUBTITLE SHALL BE PAYABLE FROM THE PROCEEDS OF THE GRANT.

(2) THE STATE UNIT MAY MAKE THE GRANT ANTICIPATION NOTES PAYABLE ONLY FROM THE PROCEEDS OF THE GRANT AND NEED NOT PLEDGE THE FAITH AND CREDIT OR TAXING POWER OF THE STATE UNIT.

(3) IF THE STATE UNIT DOES NOT PLEDGE ITS FAITH AND CREDIT OR TAXING POWER, THE GRANT ANTICIPATION NOTES ARE NOT A DEBT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE UNIT UNDER ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION.

REVISOR'S NOTE: This section is new language that repeats the provisions of the second sentence and the second clause of the first sentence of present Art. 31, § 12(a) and the second and fifth sentences of (i).

In subsection (a)(1) of this section, the present reference to payment "to the bearer or registered holder thereof" is omitted as surplusage.

In subsection (a)(2) of this section, the phrase "not more than" is added for clarity.

Also in subsection (a)(2) of this section, the present alternative of payment "from the proceeds of the sale of bonds" is omitted to clarify that subsection (a)(2) of this section states an exception that allows 1 year's interest to be paid from the proceeds of the notes, notwithstanding the general rule, under