subsection (a)(1) of this section, that requires interest to be paid from the proceeds of the bonds.

As to the covenants for payment of notes, see § 8-213 of this subtitle.

The Commission to Revise the Annotated Code notes, for consideration by the General Assembly, that it may wish to enact, in lieu of subsection (a)(2) of this section, a new subsection (c) of this section that would also allow 1 year's interest on grant anticipation notes to be paid from their proceeds. If the General Assembly wishes to make this change, it may wish to amend § 8-213(b)(2) of this subtitle, so that the covenants required from the State unit reflect this authority.

Defined terms: "Bond" § 8-201
"State unit" § 8-201

8-219. PROCEEDS OF SALE OF BOND ANTICIPATION NOTES.

THE PROCEEDS OF SALE OF BOND ANTICIPATION NOTES SHALL BE SPENT:

(1) 1ST, FOR PAYMENT OF THE EXPENSES OF ISSUANCE OF THE NOTES; AND

(2) THEN, SUBJECT TO § 8-218(A)(2) OF THIS SUBTITLE, ONLY FOR THE PUBLIC PURPOSES FOR WHICH THE BONDS ARE AUTHORIZED.

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

In item (2) of this section, the phrase "subject to § 8-218(a)(2) of this subtitle" is added for clarity.

The Commission to Revise the Annotated Code notes, for consideration by the General Assembly, that it was unclear whether the second sentence of present Art. 31, § 12(a) was intended to apply to grant anticipation notes. As revised in this section, the provisions apply only to bond anticipation notes.

Defined term: "Bond" § 8-201

8-220. INTEREST RATE LIMIT ON BONDS.

(A) IN GENERAL.

(1) EXCEPT FOR THE PROVISIONS OF THIS SECTION, EACH STATE UNIT SHALL COMPLY WITH THE PROVISIONS, REQUIREMENTS, AND LIMITATIONS IN THE ENABLING ACT.