(2) IF A STATE UNIT IS UNABLE TO SELL BONDS TO PAY THE BOND ANTICIPATION NOTES UNDER THIS PART III OF THIS SECTION WHEN DUE BECAUSE OF AN INTEREST RATE LIMITATION IN THE ENABLING ACT, THE STATE UNIT MAY:

(I) ISSUE BONDS IN A TOTAL PRINCIPAL AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND NOT MORE THAN 1 YEAR'S INTEREST ON THE NOTES; AND

(II) PROVIDE FOR PAYMENT OF INTEREST ON THE BONDS AT A RATE THAT IS HIGHER THAN THE INTEREST RATE LIMITATION IN THE ENABLING ACT.

(3) THIS SECTION IS SUPPLEMENTAL AUTHORITY FOR A STATE UNIT TO ISSUE BONDS FREE OF AN INTEREST RATE LIMITATION TO PAY OUTSTANDING BOND ANTICIPATION NOTES UNDER THIS PART III OF THIS SUBTITLE.

(B) CITATION OF AUTHORITY.

A RESOLUTION THAT AUTHORIZES THE ISSUANCE OF BONDS UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL REFER TO:

(1) THE ENABLING ACT; AND

(2) THIS SECTION.

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

In subsection (a)(3) of this section, the present parenthetical "so authorized to issue bonds" is omitted as unnecessary in light of § 8-213(a) of this subtitle.

Defined terms: "Bond" § 8-201
"Enabling act" § 8-201 "State unit" § 8-201
"Resolution" § 8-201

8-221. COMMERCIAL PAPER.

(A) IN GENERAL.

A STATE UNIT MAY ISSUE BOND OR GRANT ANTICIPATION NOTES UNDER THIS PART III OF THIS SUBTITLE AS NOTES IN THE NATURE OF COMMERCIAL PAPER.

(B) SECURITY.

A BOND OR GRANT ANTICIPATION NOTE ISSUED AS A NOTE IN THE NATURE OF COMMERCIAL PAPER MAY BE SECURED BY:

(1) A TRUST INDENTURE WITH A TRUST COMPANY, OR A BANK WITH POWERS OF A TRUST COMPANY, IN OR OUTSIDE THE STATE; AND