(2) A LETTER OF CREDIT, LINE OF CREDIT, OR OTHER CREDIT ARRANGEMENT FROM OR WITH A LENDING INSTITUTION.

(C) PAYMENT OF CREDIT ARRANGEMENT.

(1) FOR BOND ANTICIPATION NOTES, THE CREDIT ARRANGEMENT MAY BE MADE PAYABLE OUT OF:

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

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

(2) FOR GRANT ANTICIPATION NOTES, THE CREDIT ARRANGEMENT MAY BE MADE PAYABLE OUT OF THE PROCEEDS OF THE GRANT.

REVISOR'S NOTE: This section is new language that repeats the provisions of the seventh and eighth sentences of present Art. 31, § 12(a) and the sixth and seventh sentences of (i).

In subsection (b)(1) of this section, the present phrase "with a corporate trustee or trustees" is omitted as surplusage.

The Commission to Revise the Annotated Code notes, for consideration by the General Assembly, that the reference, in subsection (a) of this section, to a "bank" is unclear. The General Assembly may wish to consider FI § 1-101(d), which defines a "banking institution" as "an institution that is incorporated under the laws of this State as a State bank, trust company, or savings bank."

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

GENERAL REVISOR'S NOTE:

Most of the sections in this subtitle repeat the substance of provisions of present Art. 31 that, before enactment of this subtitle, applied to political subdivisions and their units and instrumentalities, as well as to units and instrumentalities of the State. In light of this subtitle, provisions of Art. 31 have been amended to delete the references to the State and its units and instrumentalities. Those provisions of present Art. 31 ultimately will be revised in a local government article.

The substance of present Art. 31, § 12(d), which provides that bond anticipation notes "shall pass as negotiable instruments" as provided in Art. 31, § 8, is not repeated in this subtitle in light of § 8-302 of this title.

SUBTITLE 3. MISCELLANEOUS PROVISIONS.