(II) A SPECIAL FUND ESTABLISHED FOR THAT PURPOSE;

(3) ANY LAW LIMITS PAYMENT OF PRINCIPAL AND INTEREST TO A CERTAIN AMOUNT OR RATE OF TAX THAT MAY BE IMPOSED; OR

(4) PRINCIPAL OR INTEREST ARE REGISTRABLE.

(C) ATTRIBUTES OF BOND.

A BOND THAT IS CONSIDERED TO BE AN INVESTMENT SECURITY UNDER SUBSECTION (B) OF THIS SECTION HAS ALL THE ATTRIBUTES OF AN INVESTMENT SECURITY THAT ARE POSSESSED BY A BOND THAT IS:

(1) ISSUED ON THE FULL FAITH AND CREDIT OF THE ISSUER;

(2) PAYABLE TO BEARER; AND

(3) SECURED AS TO THE PAYMENT OF PRINCIPAL AND INTEREST BY THE UNLIMITED TAXING POWER OF THE ISSUER.

REVISOR'S NOTE: Subsection (a)(1) of this section is new language added to allow concise reference to the bonds to which this section applies.

Subsections (a)(2) through (c) of this section are new language that repeats the provisions of present Art. 31, § 8.

In subsections (b) and (c) of this section, the present statutory statement that the bonds shall pass as "negotiable instruments" is changed to provide that they shall be considered to be "investment securities". Under the Uniform Negotiable Instruments Law, it was correct to provide that bonds were "negotiable instruments". Nevertheless, with the adoption of the Uniform Commercial Code, it is no longer appropriate to refer to these bonds as negotiable instruments under Maryland law (see CL §§ 3-103(1) and 3-104(1)(b)). Instead, under Title 8 of the U.C.C., the appropriate term is "investment securities" (see CL § 8-102(1)).

In subsection (b)(1) of this section, the phrase "from the resolution or authority" is added for clarity.

In subsection (b)(2) of this section, the present reference to "collection of special assessments, tolls, rents, special taxes" is omitted as unnecessary in light of the reference to "limited sources of revenue".

TITLE 9. STATE INSURANCE PROGRAM.