BOND PROCEED MANAGEMENT

31.

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BONDS" MEANS GENERAL OBLIGATION BONDS OR NOTES, REVENUE BONDS OR NOTES, OR OTHER EVIDENCES OF OBLIGATION BY WHATEVER NAME KNOWN OR SOURCE OF FUNDS SECURED, ISSUED BY A PUBLIC BODY.

(3) "CHIEF EXECUTIVE OFFICER" MEANS THE COUNTY EXECUTIVE, MAYOR, PRESIDENT, CHAIRMAN, OR SIMILAR OFFICIAL OF A PUBLIC BODY.

(4) "CODE" MEANS THE INTERNAL REVENUE CODE OF 1986 AND INCLUDES REGULATIONS AND RULINGS ISSUED UNDER THAT CODE.

(5) "FINANCIAL OFFICER" MEANS THE CONTROLLER, THE DIRECTOR OF FINANCE OR SIMILAR OFFICIAL OF A PUBLIC BODY.

(6) "PUBLIC BODY" MEANS A MUNICIPAL CORPORATION SUBJECT TO THE PROVISIONS OF ARTICLE 23A, A COUNTY, WHETHER SUBJECT TO THE PROVISIONS OF ARTICLE 25, ARTICLE 25A, OR ARTICLE 25B, THE MAYOR AND CITY COUNCIL OF BALTIMORE, A SANITARY COMMISSION OR DISTRICT, WHETHER ORGANIZED UNDER THE PROVISIONS OF PUBLIC GENERAL OR PUBLIC LOCAL LAW, A PUBLIC CORPORATION OF THE STATE, AND A DEPARTMENT, COMMISSION, AUTHORITY, PUBLIC CORPORATION, AGENCY OR OTHER INSTRUMENTALITY OF A COUNTY OR A MUNICIPAL CORPORATION, INCLUDING BALTIMORE CITY.

(7) "PROCEEDS" MEANS MONEYS RECEIVED FROM THE SALE OF BONDS, AND INCLUDES ANY MONEYS DEEMED TO BE PROCEEDS OF BONDS UNDER THE CODE.

(B) THE FINANCIAL OFFICER MAY ESTABLISH AND MAINTAIN FUNDS AND ACCOUNTS FOR THE ADMINISTRATION, MANAGEMENT, INVESTMENT AND ACCOUNTING OF PROCEEDS, INCLUDING ANY INVESTMENT EARNINGS ON PROCEEDS, THAT MAY BE NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY WITH THE CODE AND TO ESTABLISH OR MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON THE BONDS.

(C) THE FINANCIAL OFFICER MAY MANAGE AND INVEST PROCEEDS, INCLUDING ANY INVESTMENT EARNINGS ON PROCEEDS, IN A MANNER SO AS TO MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON THE BONDS. THE FINANCIAL OFFICER MAY RESTRICT THE YIELDS ON INVESTMENTS OF PROCEEDS IF AND TO THE EXTENT NECESSARY TO MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON THE BONDS.