

8-404.

A CAPITAL LEASE AUTHORIZED UNDER THIS SUBTITLE:

(+) (1) SHALL BE CONTINGENT ON THE AVAILABILITY OF APPROPRIATED OR OTHER LEGALLY AVAILABLE FUNDS, NOT INCLUDING NONAPPROPRIATED PENSION OR RETIREMENT FUNDS, THAT PERMIT THE TIMELY PAYMENT OF PRINCIPAL, INTEREST, AND OTHER OBLIGATIONS, IF ANY, IMPOSED BY THE TERMS OF THE CAPITAL LEASE;

(2) MAY NOT BE CONSTRUED OR DEEMED TO BE A DEBT OF THE STATE OR A UNIT OF STATE GOVERNMENT; AND

(3) MAY NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE OR A UNIT OF STATE GOVERNMENT.

~~(2) MAY NOT BE CONSTRUED OR DEEMED TO BE A DEBT OF THE STATE OR A UNIT OF STATE GOVERNMENT; AND~~

~~(3) MAY NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE OR A UNIT OF STATE GOVERNMENT.~~

8-405.

(A) THE TREASURER SHALL, AT A REASONABLE MARKET RATE, CAPITALIZE THE PAYMENTS ON A CAPITAL LEASE AUTHORIZED UNDER THIS SUBTITLE ON AN ANNUAL BASIS FOR EACH FISCAL YEAR THE LEASE IS IN EFFECT.

(B) THE GREATER OF THE AMOUNT DETERMINED FOR A GIVEN FISCAL YEAR UNDER SUBSECTION (A) OF THIS SECTION OR THE AMOUNT OF ANY PURCHASE VALUE AT THE TERMINATION OF A CAPITAL LEASE AUTHORIZED UNDER THIS SUBTITLE SHALL BE INCLUDED IN THE TAX SUPPORTED DEBT CONSIDERED BY THE CAPITAL DEBT AFFORDABILITY COMMITTEE IN ITS ANNUAL ESTIMATE FOR THAT FISCAL YEAR UNDER SUBTITLE 1 OF THIS TITLE.

8-405. 8-406.

(A) (1) THE STATE TREASURER MAY DEPOSIT THE PROCEEDS OF A CAPITAL LEASE AUTHORIZED UNDER THIS SUBTITLE IN AN ESCROW ACCOUNT OR SIMILAR ARRANGEMENT.

(2) THE PROCEEDS MAY BE WITHDRAWN FOR THE PURPOSE OF MAKING PAYMENT DUE UNDER THE TERMS OF THE CAPITAL LEASE.

(3) A WITHDRAWAL MADE UNDER THE PROVISIONS OF THIS SECTION SHALL BE MADE IN ACCORDANCE WITH THE TERMS OF THE INDIVIDUAL CONTRACT.

(B) THE STATE TREASURER MAY INVEST ANY UNEXPENDED PROCEEDS HELD IN ESCROW AND THE INVESTMENT INCOME ON THE PROCEEDS IN OBLIGATIONS AUTHORIZED FOR THE INVESTMENT OF STATE FUNDS UNDER § 6-222 OF THIS ARTICLE.