

8-127.

(a) Except as provided in § 8-129 of this subtitle, the proceeds of a sale of State bonds may be used only in the manner and for a project or program that is specified in [the] AN enabling act [under which the State bonds are issued] AUTHORIZING THE ISSUANCE OF STATE BONDS.

(b) (1) Except as provided in § 8-129 of this subtitle, the proceeds of a sale of State bonds may be used only for a capital improvement unless:

(i) the enabling act specifically provides otherwise; or

(ii) in an emergency, the Board unanimously grants a temporary exception.

(2) The Board shall determine whether the object of an expenditure is a capital improvement. The standard for this determination is whether the useful life of the object equals or exceeds the life of the State bonds.

(c) The Board shall enforce the provisions of this section.

8-132.

(a) There is an Annuity Bond Fund.

(b) The Comptroller shall:

(1) credit to the Annuity Bond Fund any money appropriated in the State budget to meet the debt service requirements on State bonds; and

(2) use the money to meet the debt service on the State bonds specified in the appropriation.

(C) ANY PREMIUM FROM THE SALE OF STATE BONDS TRANSFERRED TO THE ANNUITY BOND FUND UNDER § 8-125 OF THIS SUBTITLE MAY BE USED TO PAY:

(1) DEBT SERVICE ON STATE BONDS; AND

(2) IF APPROVED BY THE BOARD, THE COSTS OF OTHER CAPITAL PROJECTS.

SECTION 2. AND BE IT FURTHER ENACTED, That, in order to allocate proceeds from the sale of State bonds to eligible expenditures for the purposes of complying with the Internal Revenue Code and § 8-131.1 of the State Finance and Procurement Article, to the extent permitted and in a manner consistent with the federal Internal Revenue Code, the Comptroller may restate the prior expenditures of proceeds from prior sales of State bonds as provided in Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That the Comptroller may transfer unexpended proceeds from prior sales of State bonds to the State and Local Facilities Loan Fund and may expend such proceeds in accordance with Section 1 of this Act.