

relating to the issuance of certain bonds and the borrowing of certain funds by the Department of Transportation.

BY adding to

Article - Transportation

Section 3-601 through 3-607, inclusive, to be under the new subtitle "Subtitle 6. Special Bonds and Borrowings"

Annotated Code of Maryland

(2001 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Transportation

SUBTITLE 6. SPECIAL BONDS AND BORROWINGS.

3-601.

(A) IN ORDER TO UTILIZE TO THE GREATEST EXTENT POSSIBLE THE BENEFITS OF AVAILABLE FINANCIAL RESOURCES RELATING TO TRANSPORTATION PURPOSES, INCLUDING FEDERAL GRANTS, LOANS, AND OTHER PROGRAMS, THE DEPARTMENT FROM TIME TO TIME MAY ISSUE ITS BONDS AND OTHERWISE BORROW FUNDS, AS PROVIDED IN THIS SUBTITLE, TO FINANCE THE COSTS OF TRANSPORTATION FACILITIES.

(B) THE DEPARTMENT MAY APPLY FOR ANY FINANCIAL ASSISTANCE IN SUPPORT OF PROJECTS DEEMED APPROPRIATE BY THE SECRETARY.

(C) THE DEPARTMENT MAY UNDERTAKE THE FOLLOWING ACTIONS AND DO ALL THINGS NECESSARY AND APPROPRIATE CONSISTENT WITH SUCH ACTIONS TO UTILIZE THE AVAILABLE RESOURCES SPECIFIED IN SUBSECTION (A) OF THIS SECTION:

(1) PLEDGE AND USE EXISTING AND ANTICIPATED FEDERAL FUNDS PAID TO OR EXPECTED TO BE PAID TO THE DEPARTMENT FOR TRANSPORTATION PURPOSES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE DEPARTMENT'S BONDS OR OTHER DEBT OBLIGATIONS ISSUED UNDER THIS SUBTITLE TO FINANCE THE COSTS OF TRANSPORTATION FACILITIES; AND

(2) (I) BORROW FUNDS FROM THE FEDERAL GOVERNMENT OR ITS AGENCIES, AND EVIDENCE SUCH BORROWING WITH A PROMISSORY NOTE OR OTHER EVIDENCE OF OBLIGATION;

(II) BORROW FUNDS FROM A NONGOVERNMENT LENDER IF THE LOAN IS GUARANTEED BY THE FEDERAL GOVERNMENT OR ITS AGENCIES; AND

(III) 1. USE THE PROCEEDS OF THE LOANS DESCRIBED IN ITEMS (I) AND (II) OF THIS PARAGRAPH IN CONNECTION WITH TRANSPORTATION FACILITIES INCLUDING USE OF THE PROCEEDS TO PAY THE COSTS OF FINANCING