

refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County for the purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of providing it with funds for the redemption at or prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, including the payment of any redemption premium and interest accrued or to accrue thereon. The net proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used for the purpose of paying the purchase or redemption prices of the bonds to be refunded. The County may issue bonds for the purpose of refunding bonds hereunder under the authority of this Act or the provisions of any then existing law authorizing the issuance of bonds for such purpose.

SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or be lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act shall be deemed to be negotiable instruments and shall have and possess all the attributes of negotiable instruments under the laws of the State of Maryland. Any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom (including any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, county, municipal or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide an additional and alternative authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not heretofore been exercised, and nothing herein contained shall be construed to impair, in any way whatsoever, the validity of any bonds which may have been issued by the County under the authority of any of said Acts, and the validity of said bonds is hereby ratified, confirmed and approved. This Act, being necessary for the welfare of the inhabitants of St. Mary's County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.