

HOUSE BILL 230

F3

11r0800
CF SB 170

By: **Delegates Tarrant, Anderson, Branch, Clippinger, Conaway, Glenn,
Haynes, Mitchell, B. Robinson, Stukes, and Washington**

Introduced and read first time: January 28, 2011

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 5, 2011

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Education – Public School Facilities and Construction Bond**
3 **Authority**

4 FOR the purpose of ~~altering the maximum aggregate principal amount of school~~
5 ~~construction bonds that the Baltimore City Board of School Commissioners may~~
6 ~~issue~~; altering the maximum maturity date of ~~bonds~~ school construction bonds
7 that the Baltimore City Board of School Commissioners may issue; requiring
8 the Board to submit a certain report on a certain plan for public school facilities
9 on or before a certain date; and generally relating to public school facilities and
10 the issuance of bonds for school construction in Baltimore City.

11 BY repealing and reenacting, with amendments,
12 Article – Education
13 Section ~~4-306.2(b) and (g)(2)~~ 4-306.2(g)(2)
14 Annotated Code of Maryland
15 (2008 Replacement Volume and 2010 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Education
18 Section ~~4-306.2(a) and (e)~~ through (e)
19 Annotated Code of Maryland
20 (2008 Replacement Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Education**

4 4–306.2.

5 (a) The board may issue bonds for the purpose of financing or refinancing all
6 or any part of the costs of any project.

7 (b) (1) Except as provided in paragraph (2) of this subsection, the
8 aggregate principal amount of bonds outstanding, including the amount of any reserve
9 fund requirement established for the bonds, may not exceed, as of the date that the
10 bonds are issued, ~~[\$100,000,000]~~ ~~\$250,000,000~~.

11 (2) The aggregate principal amount of bonds outstanding does not
12 include Qualified School Construction Bonds as defined in § 54F of the Internal
13 Revenue Code.

14 (c) Bonds shall be authorized by a resolution of the board and may be
15 secured by a trust agreement by and between the board and a corporate trustee or
16 trustees which may be any trust company or bank having the powers of a trust
17 company within or outside of the State.

18 (d) Before the board may issue a bond under this section, the Mayor and City
19 Council of Baltimore shall pass a resolution approving the board's issuance of the bond
20 and shall forward that resolution to the board.

21 (e) The resolution of the board authorizing the bonds:

22 (1) Shall describe the projects which are to be financed or refinanced
23 by the bond;

24 (2) Shall state the maximum principal amount of the bond;

25 (3) Shall describe the sources of payment of the bonds;

26 (4) Shall provide that the proceeds of the bonds shall be invested in
27 accordance with any investment policy approved by the board; and

28 (5) May provide that the bonds are redeemable before maturity at a
29 price or prices and under terms and conditions or in accordance with a method
30 determined by the board.

31 (g) The bonds shall:

1 (2) Mature at a time or times not exceeding the useful life of the
2 projects for which the bonds are issued, but in no event shall the maturity of the bonds
3 exceed [15] 30 years from their date or dates of issue, as may be determined by the
4 board;

5 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,
6 2011, the Baltimore City Board of School Commissioners shall report to the Senate
7 Budget and Taxation Committee and the House Appropriations Committee, in
8 accordance with § 2-1246 of the State Government Article, on a long-term plan for the
9 alignment of public school facilities with projected enrollments and educational
10 programs within the Baltimore City Public School System.

11 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
12 effect June 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.