

SENATE BILL 170

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11r0790
CF 11r0800

By: **Senator McFadden**

Introduced and read first time: January 24, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Education – Construction Bond Authority**

3 FOR the purpose of altering the maximum aggregate principal amount of school
4 construction bonds that the Baltimore City Board of School Commissioners may
5 issue; altering the maximum maturity date of bonds; and generally relating to
6 the issuance of bonds for school construction in Baltimore City.

7 BY repealing and reenacting, with amendments,
8 Article – Education
9 Section 4–306.2(b) and (g)(2)
10 Annotated Code of Maryland
11 (2008 Replacement Volume and 2010 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Education
14 Section 4–306.2(a) and (c) through (e)
15 Annotated Code of Maryland
16 (2008 Replacement Volume and 2010 Supplement)

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

19 **Article – Education**

20 4–306.2.

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

23 (b) (1) Except as provided in paragraph (2) of this subsection, the
24 aggregate principal amount of bonds outstanding, including the amount of any reserve

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 fund requirement established for the bonds, may not exceed, as of the date that the
2 bonds are issued, ~~[\$100,000,000]~~ **\$250,000,000**.

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

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

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

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

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

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

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

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

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

23 (g) The bonds shall:

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 June 1, 2011.