

HOUSE BILL 1369

F3, F2

6lr3166

By: **Delegate Lisanti**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County Student Loan Refinancing Authority**

3 FOR the purpose of authorizing Harford County to create the Harford County Student Loan
4 Refinancing Authority; providing that the Authority shall be authorized to exercise
5 the powers set forth in this Act only on the taking effect of an ordinance enacted by
6 the Harford County government creating the Authority and approving the Authority
7 to exercise its powers; providing for the purpose, membership, powers, duties, and
8 organization of the Authority; authorizing the Authority to issue bonds and notes for
9 its corporate purposes related to loans for students or parents of students to assist
10 in financing the cost of higher education; providing for the terms and manner of
11 issuance of the bonds and notes; authorizing the Authority to adopt certain
12 regulations; requiring certain money received under this Act to be held as trust
13 funds; exempting certain property, money, and income of the Authority from certain
14 taxation by the State and political subdivisions of the State; authorizing certain
15 entities to invest in bonds issued by the Authority; providing a certain pledge that
16 the State will not limit certain rights vested in the Authority; prohibiting certain
17 obligations of the Authority from being obligations of the State and political
18 subdivisions of the State; stating certain findings and intent of the General
19 Assembly; defining certain terms; providing for the construction of this Act; making
20 the provisions of this Act severable; and generally relating to the Harford County
21 Student Loan Refinancing Authority.

22 BY adding to

23 Article – Education

24 Section 18–3101 through 18–3122 to be under the new subtitle “Subtitle 31. Harford
25 County Student Loan Refinancing Authority”

26 Annotated Code of Maryland

27 (2014 Replacement Volume and 2015 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Education

SUBTITLE 31. HARFORD COUNTY STUDENT LOAN REFINANCING AUTHORITY.

18-3101.

(A) THE GENERAL ASSEMBLY FINDS THAT:

(1) IT IS IN THE PUBLIC INTEREST AND ESSENTIAL TO THE WELFARE OF HARFORD COUNTY RESIDENTS AND TO THE PROPER GROWTH AND DEVELOPMENT OF HARFORD COUNTY TO PROVIDE FINANCIAL ASSISTANCE TO ENABLE HARFORD COUNTY RESIDENTS TO OBTAIN A POSTSECONDARY EDUCATION;

(2) MANY RESIDENTS OF HARFORD COUNTY WHO ARE QUALIFIED TO ENROLL IN POSTSECONDARY EDUCATION LACK THE FINANCIAL MEANS TO PAY THE COST OF POSTSECONDARY EDUCATION, WHICH RESULTS IN A LOSS OF VALUABLE TALENTS VITAL TO THE WELFARE OF THE COUNTY; AND

(3) THE ESTABLISHMENT OF A SYSTEM THAT WILL PROVIDE FINANCIAL ASSISTANCE TO ENABLE HARFORD COUNTY RESIDENTS TO OBTAIN A POSTSECONDARY EDUCATION SERVES A PUBLIC PURPOSE AND IS CONSISTENT WITH THE LONG ESTABLISHED POLICY OF THE STATE TO ENCOURAGE, PROMOTE, AND ASSIST THE EDUCATION OF THE RESIDENTS OF THE STATE.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO AUTHORIZE HARFORD COUNTY TO PROVIDE A SYSTEM OF FINANCIAL ASSISTANCE, CONSISTING OF GRANTS, LOANS, AND OTHER AIDS, TO ENABLE HARFORD COUNTY RESIDENTS TO OBTAIN A POSTSECONDARY EDUCATION.

18-3102.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “AUTHORITY” MEANS THE HARFORD COUNTY STUDENT LOAN REFINANCING AUTHORITY.

(C) “BONDS” MEANS THE BONDS, NOTES, SECURITIES, OR OTHER OBLIGATIONS OR EVIDENCES OF INDEBTEDNESS ISSUED BY THE AUTHORITY IN ACCORDANCE WITH THIS SUBTITLE.

(D) “COUNTY” MEANS THE BODY POLITIC AND CORPORATE OF THE STATE KNOWN AS HARFORD COUNTY.

1 (E) "COUNTY COUNCIL" MEANS THE COUNTY COUNCIL OF HARFORD
2 COUNTY.

3 (F) "COUNTY EXECUTIVE" MEANS THE CHIEF ELECTED EXECUTIVE
4 OFFICIAL OF HARFORD COUNTY.

5 (G) "EDUCATION LOAN" MEANS A LOAN TO A STUDENT OR THE PARENT,
6 LEGAL GUARDIAN, OR SPONSOR OF THE STUDENT, OR TO AN ELIGIBLE INSTITUTION,
7 FOR THE PURPOSE OF FINANCING A STUDENT'S ATTENDANCE AT AN ELIGIBLE
8 INSTITUTION.

9 (H) (1) "ELIGIBLE INSTITUTION" MEANS AN INSTITUTION OF
10 POSTSECONDARY EDUCATION THAT GENERALLY LIMITS ENROLLMENT TO
11 GRADUATES OF SECONDARY SCHOOLS AND AWARDS DEGREES AT EITHER THE
12 ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.

13 (2) "ELIGIBLE INSTITUTION" INCLUDES IN-STATE AND
14 OUT-OF-STATE PUBLIC, PRIVATE NONPROFIT, AND FOR-PROFIT INSTITUTIONS OF
15 HIGHER EDUCATION.

16 (I) "ELIGIBLE LOAN" MEANS A LOAN TO A STUDENT OR TO THE PARENT OF
17 A STUDENT INSURED OR GUARANTEED BY THE SECRETARY, OR BY ANY OTHER
18 GOVERNMENTAL OR PRIVATE AGENCY, CORPORATION, OR ORGANIZATION HAVING
19 A REINSURANCE OR GUARANTY AGREEMENT WITH THE SECRETARY APPLICABLE TO
20 THE LOAN.

21 (J) "GUARANTEED STUDENT LOAN PROGRAM" MEANS THE PROGRAM OF
22 FEDERAL STUDENT LOAN INSURANCE AND REINSURANCE ADMINISTERED BY THE
23 SECRETARY.

24 (K) "LENDER" MEANS ANY GOVERNMENTAL OR PRIVATE AGENCY,
25 CORPORATION, ORGANIZATION, OR INSTITUTION, INCLUDING EDUCATIONAL
26 INSTITUTIONS AND THE AUTHORITY, DESIGNATED AS AN ELIGIBLE LENDER BY
27 FEDERAL STATUTE, REGULATION, OR ADMINISTRATIVE RULING FOR THE PURPOSES
28 OF THE GUARANTEED STUDENT LOAN PROGRAM.

29 (L) "SECRETARY" MEANS THE UNITED STATES SECRETARY OF
30 EDUCATION.

31 (M) (1) "STUDENT" MEANS AN INDIVIDUAL WHO MEETS THE RESIDENCY,
32 ENROLLMENT, AND SATISFACTORY PROGRESS CRITERIA AND ANY OTHER CRITERIA

1 ESTABLISHED BY THE AUTHORITY FOR AN INDIVIDUAL TO BE ELIGIBLE FOR
2 FINANCIAL ASSISTANCE FROM THE AUTHORITY.

3 (2) "STUDENT" INCLUDES DEPENDENT AND INDEPENDENT
4 UNDERGRADUATE, GRADUATE, AND PROFESSIONAL STUDENTS.

5 18-3103.

6 (A) IN ACCORDANCE WITH THIS SUBTITLE, HARFORD COUNTY IS
7 AUTHORIZED TO CREATE A BODY CORPORATE AND POLITIC TO BE KNOWN AS THE
8 HARFORD COUNTY STUDENT LOAN REFINANCING AUTHORITY.

9 (B) THE PURPOSE OF THE AUTHORITY IS TO FINANCE POSTSECONDARY
10 EDUCATION FOR HARFORD COUNTY RESIDENTS THROUGH:

11 (1) THE MAKING, PURCHASING, TAKING, ACQUIRING, OR LENDING
12 AGAINST THE SECURITY OF ELIGIBLE LOANS AND EDUCATION LOANS; AND

13 (2) THE SELLING OF ELIGIBLE LOANS AND EDUCATION LOANS MADE,
14 TAKEN, ENDORSED, ACQUIRED, OR PURCHASED BY THE AUTHORITY TO
15 GOVERNMENTAL OR PRIVATE FINANCIAL INSTITUTIONS.

16 (C) TO ESTABLISH THE AUTHORITY AS AUTHORIZED IN SUBSECTION (A) OF
17 THIS SECTION, THE COUNTY COUNCIL MUST PASS AN ORDINANCE THAT:

18 (1) CREATES THE AUTHORITY; AND

19 (2) AUTHORIZES THE AUTHORITY TO EXERCISE ALL POWERS SET
20 FORTH IN THIS SUBTITLE WITHIN THE LIMITATIONS AND ON THE TERMS AND
21 CONDITIONS SET FORTH IN THIS SUBTITLE.

22 (D) IF THE AUTHORITY IS ESTABLISHED AS AUTHORIZED IN SUBSECTION
23 (A) OF THIS SECTION, THE AUTHORITY SHALL CONSTITUTE A PUBLIC
24 INSTRUMENTALITY OF HARFORD COUNTY, AND THE EXERCISE BY THE AUTHORITY
25 OF THE POWERS SET FORTH IN THIS SUBTITLE IS THE PERFORMANCE OF AN
26 ESSENTIAL PUBLIC FUNCTION.

27 18-3104.

28 (A) THE HARFORD COUNTY STUDENT LOAN REFINANCING AUTHORITY
29 SHALL CONSIST OF FIVE MEMBERS APPOINTED BY THE COUNTY EXECUTIVE,
30 SUBJECT TO THE CONFIRMATION OF THE COUNTY COUNCIL.

1 **(B) (1) EACH MEMBER MUST BE A RESIDENT OF THE COUNTY.**

2 **(2) INDIVIDUALS WHO ARE APPOINTED AS MEMBERS OF THE**
3 **AUTHORITY MUST BE INDIVIDUALS WHO ARE QUALIFIED BY TRAINING OR**
4 **EXPERIENCE IN EDUCATION, FINANCE, OR PERSONAL INVESTMENT CONSULTING.**

5 **(C) (1) (I) THE MEMBERS OF THE AUTHORITY FIRST APPOINTED**
6 **SHALL SERVE FOR TERMS EXPIRING ON JUNE 30 OF 2017, 2018, 2019, 2020, AND**
7 **2021, RESPECTIVELY, AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

8 **(II) ON THE EXPIRATION OF THE TERM OF ANY MEMBER, A**
9 **SUCCESSOR SHALL BE APPOINTED FOR A TERM OF 5 YEARS AND UNTIL A SUCCESSOR**
10 **IS APPOINTED AND QUALIFIES.**

11 **(2) THE COUNTY EXECUTIVE SHALL APPOINT A QUALIFIED**
12 **INDIVIDUAL TO FILL ANY VACANCY, SUBJECT TO THE CONFIRMATION OF THE**
13 **COUNTY COUNCIL.**

14 **(3) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED**
15 **TERM SHALL SERVE ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A**
16 **SUCCESSOR IS APPOINTED AND QUALIFIES.**

17 **(4) A MEMBER OF THE AUTHORITY MAY BE REMOVED BY THE**
18 **COUNTY EXECUTIVE FOR INCOMPETENCE, MISCONDUCT, OR OTHER CAUSE AFTER**
19 **NOTICE, AND WITH THE APPROVAL OF THE COUNTY COUNCIL.**

20 **(D) (1) EACH YEAR THE AUTHORITY SHALL ELECT FROM AMONG THE**
21 **MEMBERS OF THE AUTHORITY:**

22 **(I) A CHAIR;**

23 **(II) A VICE CHAIR; AND**

24 **(III) ANY OTHER OFFICERS THE AUTHORITY REQUIRES.**

25 **(2) A MEMBER OF THE AUTHORITY:**

26 **(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
27 **AUTHORITY; BUT**

28 **(II) IS ENTITLED TO REIMBURSEMENT FOR ACTUAL EXPENSES**
29 **INCURRED IN THE PERFORMANCE OF DUTIES.**

1 18-3105.

2 (A) (1) THE AUTHORITY MAY APPOINT AN EXECUTIVE DIRECTOR AND A
3 COUNSEL, AND ANY OTHER OFFICERS, NONE OF WHOM MAY BE MEMBERS OF THE
4 AUTHORITY.

5 (2) THE EXECUTIVE DIRECTOR SHALL:

6 (I) SERVE AT THE PLEASURE OF THE AUTHORITY; AND

7 (II) RECEIVE COMPENSATION AS FIXED BY THE AUTHORITY.

8 (3) THE EXECUTIVE DIRECTOR OR ANY OTHER INDIVIDUAL
9 DESIGNATED BY RESOLUTION OF THE AUTHORITY:

10 (I) SHALL KEEP A RECORD OF THE PROCEEDINGS OF THE
11 AUTHORITY;

12 (II) SHALL BE THE CUSTODIAN OF ALL BOOKS, DOCUMENTS,
13 AND PAPERS FILED WITH THE AUTHORITY, INCLUDING THE MINUTES OF THE
14 MEETINGS OF THE AUTHORITY; AND

15 (III) MAY AUTHORIZE COPIES TO BE MADE OF ALL MINUTES AND
16 OTHER RECORDS AND DOCUMENTS OF THE AUTHORITY AND MAY CERTIFY THAT THE
17 COPIES ARE TRUE COPIES UNDER THE OFFICIAL SEAL OF THE AUTHORITY.

18 (B) (1) THREE MEMBERS OF THE AUTHORITY SHALL CONSTITUTE A
19 QUORUM.

20 (2) THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS
21 PRESENT SHALL BE NECESSARY FOR ANY ACTION TAKEN BY THE AUTHORITY.

22 (C) A VACANCY IN THE MEMBERSHIP OF THE AUTHORITY MAY NOT IMPAIR
23 THE RIGHT OF A QUORUM TO EXERCISE ALL THE RIGHTS AND PERFORM ALL THE
24 DUTIES OF THE AUTHORITY.

25 (D) (1) ANY ACTION TAKEN BY THE AUTHORITY UNDER THIS SUBTITLE
26 MAY BE AUTHORIZED BY RESOLUTION AT ANY REGULAR OR SPECIAL MEETING.

27 (2) ANY ACTION TAKEN BY THE AUTHORITY UNDER THIS SUBTITLE
28 MAY TAKE EFFECT IMMEDIATELY AND DOES NOT NEED TO BE PUBLISHED.

29 18-3106.

1 (A) (1) THE AUTHORITY MAY ISSUE BONDS FOR THE PURPOSE OF
2 MAKING ELIGIBLE LOANS AND EDUCATION LOANS.

3 (2) BONDS ISSUED UNDER THIS SUBTITLE SHALL BE OBLIGATIONS OF
4 THE HARFORD COUNTY STUDENT LOAN REFINANCING AUTHORITY ONLY AND NOT
5 OF THE COUNTY OR THE STATE.

6 (3) THE BONDS AUTHORIZED TO BE ISSUED UNDER THIS SUBTITLE
7 MAY BE ISSUED WITHOUT AN ELECTION REFERENDUM OR ANY PROCEEDINGS OR
8 CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT ARE
9 REQUIRED BY THIS SUBTITLE.

10 (B) (1) BONDS ISSUED UNDER THIS SUBTITLE SHALL STATE ON THE FACE
11 OF EACH BOND THAT THEY REPRESENT AND CONSTITUTE AN OBLIGATION OF THE
12 AUTHORITY ONLY, AND DO NOT CONSTITUTE A DEBT OF THE STATE OR ANY
13 POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF
14 THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE.

15 (2) BONDS ISSUED UNDER THIS SUBTITLE MAY NOT GRANT TO THE
16 OWNERS OR HOLDERS ANY RIGHT TO HAVE THE AUTHORITY, THE GENERAL
17 ASSEMBLY, OR THE COUNTY COUNCIL LEVY ANY TAXES OR APPROPRIATE ANY
18 FUNDS FOR THE PAYMENT OF PRINCIPAL OR INTEREST.

19 18-3107.

20 (A) THE AUTHORITY SHALL HAVE ALL THE POWERS NECESSARY OR
21 CONVENIENT TO CARRY OUT THE PURPOSES AND PROVISIONS OF THIS SUBTITLE.

22 (B) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS
23 SUBTITLE, THE AUTHORITY MAY:

24 (1) SUE AND BE SUED, COMPLAIN, AND DEFEND IN THE CORPORATE
25 NAME OF THE AUTHORITY;

26 (2) ADOPT AN OFFICIAL SEAL;

27 (3) PURCHASE, TAKE, RECEIVE, LEASE, OR OTHERWISE ACQUIRE,
28 OWN, HOLD, IMPROVE, USE, AND DEAL IN AND WITH, REAL OR PERSONAL PROPERTY;

29 (4) SELL, CONVEY, MORTGAGE, PLEDGE, LEASE, EXCHANGE,
30 TRANSFER, AND DISPOSE OF ALL OR ANY PART OF ITS PROPERTY AND ASSETS FOR

1 ANY CONSIDERATION AND ON ANY TERMS AND CONDITIONS AS THE AUTHORITY
2 SHALL DETERMINE;

3 (5) MAKE CONTRACTS AND INCUR LIABILITIES;

4 (6) BORROW MONEY AT ANY RATE OF INTEREST AS THE AUTHORITY
5 MAY DETERMINE;

6 (7) LEND MONEY FOR ITS PURPOSES, AND INVEST AND REINVEST
7 AUTHORITY FUNDS;

8 (8) MAKE AND EXECUTE ALL CONTRACTS, AGREEMENTS, AND
9 INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE POWERS OF
10 THE AUTHORITY GRANTED BY THIS SUBTITLE;

11 (9) CONDUCT AUTHORITY ACTIVITIES AND OPERATIONS;

12 (10) ELECT, APPOINT, OR EMPLOY OFFICERS AND AGENTS OF THE
13 AUTHORITY, DEFINE THEIR DUTIES, AND FIX THEIR COMPENSATION; AND

14 (11) MAKE AND ALTER BYLAWS THAT ARE NOT INCONSISTENT WITH
15 THIS SUBTITLE.

16 18-3108.

17 (A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS
18 SUBTITLE, THE AUTHORITY MAY:

19 (1) LEND MONEY TO STUDENTS AND PARENTS OF STUDENTS FOR THE
20 PURPOSE OF ASSISTING THE STUDENTS IN OBTAINING AN EDUCATION AT AN
21 ELIGIBLE INSTITUTION, INCLUDING:

22 (I) REFINANCING OR CONSOLIDATING OBLIGATIONS
23 PREVIOUSLY INCURRED BY A STUDENT OR A PARENT WITH OTHER LENDING
24 SOURCES; AND

25 (II) PARTICIPATING IN LOANS TO STUDENTS OR PARENTS WITH
26 OTHER LENDING SOURCES;

27 (2) MAKE, ACQUIRE, TAKE, OR PURCHASE ELIGIBLE LOANS AND
28 EDUCATION LOANS WITH THE PROCEEDS OF BONDS OR NOTES OR ANY OTHER FUNDS
29 OF THE AUTHORITY, IN ANY AMOUNT, AT ANY PRICE, AND ON ANY TERMS AND
30 CONDITIONS AS THE AUTHORITY MAY DETERMINE;

1 **(3) SELL ELIGIBLE LOANS HELD BY THE AUTHORITY TO**
2 **GOVERNMENTAL OR PRIVATE FINANCIAL INSTITUTIONS, IN ANY AMOUNT, AT ANY**
3 **PRICE, AND ON ANY TERMS AND CONDITIONS AS THE AUTHORITY MAY DETERMINE;**

4 **(4) BORROW FROM GOVERNMENTAL OR PRIVATE FINANCIAL**
5 **INSTITUTIONS AGAINST THE SECURITY OF ELIGIBLE LOANS HELD BY THE**
6 **AUTHORITY, IN ANY AMOUNT, AT ANY PRICE, AND ON ANY TERMS AND CONDITIONS**
7 **AS THE AUTHORITY MAY DETERMINE;**

8 **(5) BORROW MONEY AND ISSUE BONDS AND NOTES;**

9 **(6) PROVIDE FOR THE RIGHTS OF THE HOLDERS OF BONDS AND**
10 **NOTES AND TO SECURE THE BONDS AND NOTES BY ASSIGNMENT, PLEDGE, OR**
11 **GRANTING OF A SECURITY INTEREST IN AUTHORITY PROPERTY, INCLUDING THE**
12 **AUTHORITY'S INTEREST IN ELIGIBLE LOANS, EDUCATION LOANS, OR AGREEMENTS**
13 **WITH ELIGIBLE INSTITUTIONS, FOR THE PURPOSE OF PROVIDING FUNDS TO CARRY**
14 **OUT ITS PURPOSES UNDER THIS SUBTITLE;**

15 **(7) CONTRACT FOR AND ACCEPT ANY GIFTS, GRANTS, LOANS, FUNDS,**
16 **REAL OR PERSONAL PROPERTY, OR FINANCIAL OR OTHER ASSISTANCE IN ANY FORM**
17 **FROM THE UNITED STATES OR THE STATE OR ANY AGENCY OR INSTRUMENTALITY**
18 **OF THE UNITED STATES OR THE STATE;**

19 **(8) SUBJECT TO A CONTRACT WITH THE HOLDERS OF AUTHORITY**
20 **BONDS OR NOTES, OR A CONTRACT WITH THE RECIPIENT OF AN ELIGIBLE LOAN,**
21 **CONSENT TO THE MODIFICATION OF ANY TERM OF A BOND, NOTE, CONTRACT, OR**
22 **AGREEMENT BETWEEN THE AUTHORITY AND THE RECIPIENT OR MAKER OF A BOND,**
23 **NOTE, CONTRACT, OR AGREEMENT;**

24 **(9) PROCURE INSURANCE OF EVERY NATURE OR TO ENTER INTO**
25 **AGREEMENTS WITH ELIGIBLE INSTITUTIONS TO PROTECT THE AUTHORITY AGAINST**
26 **LOSSES THAT MAY BE INCURRED IN CONNECTION WITH ITS PROPERTY, ASSETS,**
27 **ACTIVITIES, OR THE EXERCISE OF THE POWERS GRANTED UNDER THIS SUBTITLE;**

28 **(10) ENGAGE THE SERVICES AND FIX THE COMPENSATION OF**
29 **CONSULTANTS ON A CONTRACTUAL BASIS FOR RENDERING PROFESSIONAL AND**
30 **TECHNICAL ASSISTANCE AND ADVICE;**

31 **(11) EMPLOY ATTORNEYS, ACCOUNTANTS, FINANCIAL EXPERTS, AND**
32 **ANY OTHER ADVISERS, CONSULTANTS, AND AGENTS THAT MAY BE NECESSARY IN**
33 **THE JUDGMENT OF THE AUTHORITY;**

1 **(12) ESTABLISH CRITERIA FOR INDIVIDUALS TO BE ELIGIBLE FOR**
2 **FINANCIAL ASSISTANCE FROM THE AUTHORITY, INCLUDING RESIDENCY**
3 **REQUIREMENTS AND CRITERIA FOR ENROLLMENT AND SATISFACTORY PROGRESS**
4 **AT A POSTSECONDARY INSTITUTION;**

5 **(13) ESTABLISH CRITERIA FOR INDIVIDUALS WHO ARE EMPLOYED IN**
6 **PUBLIC SERVICE POSITIONS, AS DETERMINED BY THE AUTHORITY, TO BE ELIGIBLE**
7 **FOR FINANCIAL ASSISTANCE FROM THE AUTHORITY;**

8 **(14) SET AND COLLECT FEES AND CHARGES IN CONNECTION WITH THE**
9 **AUTHORITY'S ELIGIBLE LOANS, COMMITMENTS, AND SERVICING, INCLUDING:**

10 **(I) REIMBURSEMENT OF THE COSTS OF FINANCING BY THE**
11 **AUTHORITY;**

12 **(II) SERVICE CHARGES;**

13 **(III) INSURANCE PREMIUMS; AND**

14 **(IV) COSTS INCURRED BY THE AUTHORITY IN CARRYING OUT ITS**
15 **CORPORATE PURPOSES; AND**

16 **(15) CREATE AND ESTABLISH ANY OTHER FUNDS THAT MAY BE**
17 **NECESSARY FOR ITS CORPORATE PURPOSES.**

18 **(B) THE AUTHORITY MAY ADOPT REGULATIONS NECESSARY TO CARRY OUT**
19 **THE PURPOSES OF THIS SUBTITLE, INCLUDING REGULATIONS THAT:**

20 **(1) ENSURE COMPLIANCE BY THE AUTHORITY WITH THE**
21 **REQUIREMENTS IMPOSED BY STATUTES OR REGULATIONS GOVERNING THE**
22 **GUARANTY, INSURANCE, PURCHASE, OR OTHER DEALING IN ELIGIBLE LOANS BY**
23 **FEDERAL AGENCIES, INSTRUMENTALITIES, OR CORPORATIONS;**

24 **(2) SET STANDARDS OF ELIGIBILITY FOR EDUCATIONAL**
25 **INSTITUTIONS, STUDENTS, AND LENDERS AND TO DEFINE ALL OTHER TERMS AS THE**
26 **AUTHORITY DETERMINES NECESSARY TO CARRY OUT THE PURPOSES OF THIS**
27 **SUBTITLE;**

28 **(3) ESTABLISH A METHOD FOR ENFORCING THE REGULATIONS OF**
29 **THE AUTHORITY; AND**

30 **(4) ESTABLISH PENALTIES FOR VIOLATIONS OF ANY REGULATION OF**
31 **THE AUTHORITY.**

1 18-3109.

2 (A) THE AUTHORITY IS AUTHORIZED TO ISSUE NEGOTIABLE BONDS AND
3 NOTES IN ONE OR MORE SERIES IN ANY PRINCIPAL AMOUNTS AS THE AUTHORITY
4 DETERMINES NECESSARY TO PROVIDE SUFFICIENT FUNDS FOR ACHIEVING ITS
5 PURPOSES, INCLUDING:

6 (1) THE PAYMENT OF INTEREST ON BONDS AND NOTES OF THE
7 AUTHORITY;

8 (2) THE ESTABLISHMENT OF RESERVES TO SECURE BONDS AND
9 NOTES OF THE AUTHORITY; AND

10 (3) THE MAKING OF ALL OTHER EXPENDITURES OF THE AUTHORITY
11 NECESSARY OR CONVENIENT FOR CARRYING OUT ITS CORPORATE PURPOSES AND
12 POWERS.

13 (B) ALL BONDS AND NOTES ISSUED BY THE AUTHORITY MAY BE:

14 (1) SECURED BY THE FULL FAITH AND CREDIT OF THE AUTHORITY;
15 OR

16 (2) PAYABLE SOLELY OUT OF REVENUES AND RECEIPTS DERIVED
17 FROM:

18 (I) THE PLEDGE OR ASSIGNMENT OF, GRANT OF SECURITY
19 INTEREST IN, OR SALE OF ELIGIBLE LOANS OR EDUCATION LOANS OWNED BY THE
20 AUTHORITY;

21 (II) REPAYMENT OF ANY ELIGIBLE LOANS OR EDUCATION
22 LOANS MADE BY THE AUTHORITY;

23 (III) UNDISBURSED PROCEEDS OF THE BONDS OR NOTES;

24 (IV) GUARANTY PAYMENTS OF PRINCIPAL AND INTEREST ON
25 ELIGIBLE LOANS;

26 (V) INTEREST SUBSIDY PAYMENTS OR INVESTMENT EARNINGS;
27 OR

28 (VI) ANY OTHER FORM OF SECURITY AVAILABLE TO THE
29 AUTHORITY FOR THIS PURPOSE.

1 (C) AS DETERMINED BY THE AUTHORITY, BONDS AND NOTES OF THE
2 AUTHORITY MAY BE:

3 (1) EXECUTED AND DELIVERED BY THE AUTHORITY AT ANY TIME;

4 (2) IN ANY FORM, DENOMINATION, TENOR, AND MATURITY;

5 (3) IN BEARER FORM OR IN REGISTERED FORM; OR

6 (4) IN PRINCIPAL AND INTEREST OR IN PRINCIPAL ALONE.

7 (D) BONDS MAY BE PAYABLE IN ANY INSTALLMENTS AS DETERMINED BY
8 THE AUTHORITY, BUT MAY NOT EXCEED 30 YEARS FROM THE DATE OF ISSUE.

9 (E) NOTES AND ANY RENEWALS OF NOTES MAY BE PAYABLE IN ANY
10 INSTALLMENTS AS DETERMINED BY THE AUTHORITY, BUT MAY NOT EXCEED 10
11 YEARS FROM THE DATE OF ISSUE.

12 18-3110.

13 (A) BONDS AND NOTES ISSUED BY THE AUTHORITY MAY:

14 (1) BE PAYABLE AT ANY PLACE;

15 (2) BEAR INTEREST AT ANY RATE PAYABLE AT ANY TIME AND AT ANY
16 PLACE AND EVIDENCED IN ANY MANNER; AND

17 (3) CONTAIN ANY PROVISIONS NOT INCONSISTENT WITH THIS
18 SECTION.

19 (B) THE AUTHORITY MAY RETAIN AN OPTION TO REDEEM ALL OR ANY PART
20 OF BONDS OR NOTES OF THE AUTHORITY AT ANY PRICE AND ON ANY NOTICE, AND
21 ON ANY FURTHER TERMS AND CONDITIONS, WHICH SHALL BE SET FORTH ON THE
22 FACE OF THE BONDS OR NOTES ISSUED BY THE AUTHORITY.

23 (C) (1) ANY BONDS OR NOTES OF THE AUTHORITY MAY BE SOLD AT ANY
24 PRICE, AT PUBLIC OR PRIVATE SALE, AND IN ANY MANNER AS SHALL BE
25 DETERMINED BY THE AUTHORITY.

26 (2) THE AUTHORITY SHALL PAY ALL EXPENSES, PREMIUMS, AND
27 COMMISSIONS AS THE AUTHORITY SHALL DETERMINE NECESSARY OR

1 ADVANTAGEOUS IN CONNECTION WITH THE ISSUANCE AND SALE OF BONDS OR
2 NOTES OF THE AUTHORITY.

3 (D) MONEY OF THE AUTHORITY, INCLUDING ALL REVENUES, RECEIPTS,
4 PROCEEDS, PAYMENTS, OR EARNINGS LISTED IN § 18-3109(B) OF THIS SUBTITLE
5 MAY BE INVESTED AND REINVESTED IN ANY OBLIGATIONS, SECURITIES, AND OTHER
6 INVESTMENTS CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE AS SHALL BE
7 SPECIFIED IN THE RESOLUTIONS UNDER WHICH THE BONDS OR NOTES ARE
8 AUTHORIZED.

9 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ISSUANCE BY
10 THE AUTHORITY OF ONE OR MORE SERIES OF BONDS OR NOTES FOR ONE OR MORE
11 PURPOSES MAY NOT PRECLUDE THE AUTHORITY FROM ISSUING OTHER BONDS OR
12 NOTES FOR THE SAME PURPOSE.

13 (2) THE PROCEEDINGS WHERE ANY SUBSEQUENT BONDS OR NOTES
14 MAY BE ISSUED SHALL RECOGNIZE AND PROTECT A PRIOR PLEDGE OR MORTGAGE
15 MADE FOR A PRIOR ISSUE OF BONDS OR NOTES UNLESS IN THE PROCEEDINGS
16 AUTHORIZING THE PRIOR ISSUE THE RIGHT IS RESERVED TO ISSUE SUBSEQUENT
17 BONDS OR NOTES ON A PARITY WITH THE PRIOR ISSUE.

18 18-3111.

19 (A) (1) THE AUTHORITY IS AUTHORIZED TO ISSUE BONDS OR NOTES FOR
20 THE PURPOSE OF REFUNDING THE BONDS OR NOTES OUTSTANDING, INCLUDING:

21 (I) THE PAYMENT OF ANY REDEMPTION PREMIUM ON THE
22 BONDS OR NOTES AND ANY INTEREST ACCRUED; OR

23 (II) TO ACCRUE TO THE EARLIEST OR SUBSEQUENT DATE OF
24 REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS OR NOTES.

25 (2) (I) THE PROCEEDS OF BONDS OR NOTES ISSUED FOR THE
26 PURPOSE OF REFUNDING OUTSTANDING BONDS OR NOTES MAY BE APPLIED, IN THE
27 DISCRETION OF THE AUTHORITY, TO THE PURCHASE, RETIREMENT AT MATURITY,
28 OR REDEMPTION OF THE OUTSTANDING BONDS OR NOTES.

29 (II) REDEMPTION OF OUTSTANDING BONDS MAY OCCUR EITHER
30 ON THE EARLIEST REDEMPTION DATE OR ON A SUBSEQUENT REDEMPTION DATE
31 AND MAY BE PLACED IN ESCROW.

32 (B) (1) ESCROWED PROCEEDS MAY BE:

1 **(I) INVESTED AND REINVESTED IN OBLIGATIONS OF OR**
2 **GUARANTEED BY THE UNITED STATES, OR IN CERTIFICATES OF DEPOSIT OR TIME**
3 **DEPOSITS OR REPURCHASE AGREEMENTS;**

4 **(II) FULLY SECURED OR GUARANTEED BY THE STATE OR THE**
5 **UNITED STATES, OR AN INSTRUMENTALITY OF THE STATE OR THE UNITED STATES;**
6 **AND**

7 **(III) MATURE AT ANY TIME AS SHALL BE APPROPRIATE TO**
8 **ASSURE THE PROMPT PAYMENT, AS TO PRINCIPAL, INTEREST, AND REDEMPTION**
9 **PREMIUM, OF THE OUTSTANDING BONDS OR NOTES TO BE REFUNDED.**

10 **(2) THE INTEREST, INCOME, AND PROFITS EARNED OR REALIZED ON**
11 **THE INVESTMENT OF ESCROW PROCEEDS ALSO MAY BE APPLIED TO THE PAYMENT**
12 **OF THE OUTSTANDING BONDS OR NOTES TO BE REFUNDED.**

13 **(3) AFTER THE TERMS OF THE ESCROW HAVE BEEN FULLY SATISFIED**
14 **AND CARRIED OUT, ANY BALANCE OF THE PROCEEDS AND INTEREST, INCOME, AND**
15 **PROFITS EARNED OR REALIZED ON THE INVESTMENTS OF ESCROW PROCEEDS MAY**
16 **BE RETURNED TO THE AUTHORITY TO BE USED TO CARRY OUT ITS PURPOSES.**

17 **(4) ALL BONDS OR NOTES ISSUED UNDER THIS SECTION SHALL BE**
18 **SUBJECT TO THE PROVISIONS OF THIS SUBTITLE IN THE MANNER AND TO THE SAME**
19 **EXTENT AS ANY OTHER BONDS OR NOTES ISSUED IN ACCORDANCE WITH THIS**
20 **SUBTITLE.**

21 **(C) THE DIRECTORS, OFFICERS OF THE AUTHORITY, AND OTHER PERSONS**
22 **EXECUTING THE BONDS MAY NOT BE SUBJECT TO PERSONAL LIABILITY OR**
23 **ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.**

24 **(D) BONDS OR NOTES MAY BE ISSUED UNDER THE PROVISIONS OF THIS**
25 **SUBTITLE:**

26 **(1) WITHOUT OBTAINING THE CONSENT OF THE STATE OR ANY**
27 **INSTRUMENTALITY OF THE STATE; AND**

28 **(2) WITHOUT ANY OTHER PROCEEDINGS OR CONDITIONS OTHER**
29 **THAN THOSE PROCEEDINGS OR CONDITIONS WHICH ARE SPECIFICALLY REQUIRED**
30 **BY THIS SUBTITLE AND BY THE PROVISIONS OF THE RESOLUTION AUTHORIZING THE**
31 **ISSUANCE OF THE BONDS OR NOTES OR THE TRUST AGREEMENT SECURING THE**
32 **BOND ISSUANCE.**

1 **(E) SUBJECT TO ANY AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS**
2 **AS MAY BE IN EFFECT, THE AUTHORITY SHALL HAVE THE POWER TO PURCHASE**
3 **BONDS OR NOTES AND SUBSEQUENTLY CANCEL THE BONDS OR NOTES AT A PRICE**
4 **NOT EXCEEDING:**

5 **(1) IF THE BONDS OR NOTES ARE REDEEMABLE AT THE TIME OF THE**
6 **CANCELLATION, THE REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED**
7 **INTEREST TO THE NEXT INTEREST PAYMENT DATE; OR**

8 **(2) IF THE BONDS OR NOTES ARE NOT REDEEMABLE AT THE TIME OF**
9 **THE CANCELLATION, THE REDEMPTION PRICE APPLICABLE ON THE EARLIEST DATE**
10 **THAT THE BONDS OR NOTES BECOME SUBJECT TO REDEMPTION, PLUS THE**
11 **INTEREST THAT WOULD HAVE ACCRUED TO THAT DATE.**

12 **(F) REGARDLESS OF WHETHER THE BONDS AND NOTES OF THE AUTHORITY**
13 **ARE OF THE FORM AND CHARACTER AS TO BE NEGOTIABLE INSTRUMENTS UNDER**
14 **THE TERMS OF THE MARYLAND UNIFORM COMMERCIAL CODE, THE BONDS AND**
15 **NOTES ARE MADE NEGOTIABLE INSTRUMENTS WITHIN THE MEANING OF AND FOR**
16 **ALL OF THE PURPOSES OF THE MARYLAND UNIFORM COMMERCIAL CODE, SUBJECT**
17 **ONLY TO THE PROVISIONS OF THE BONDS AND NOTES FOR REGISTRATION.**

18 **(G) IF A DIRECTOR OR OFFICER OF THE AUTHORITY WHOSE SIGNATURE**
19 **APPEARS ON THE BONDS, NOTES, OR COUPONS SHALL CEASE TO BE A DIRECTOR OR**
20 **OFFICER BEFORE THE DELIVERY OF THE BONDS OR NOTES, THE SIGNATURE SHALL**
21 **BE VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE DIRECTOR OR OFFICER**
22 **HAD REMAINED IN OFFICE UNTIL THE DELIVERY.**

23 **18-3112.**

24 **(A) THE PRINCIPAL OF AND INTEREST ON ANY BONDS OR NOTES ISSUED BY**
25 **THE AUTHORITY MAY BE:**

26 **(1) SECURED BY A PLEDGE OR ASSIGNMENT OF ANY REVENUES,**
27 **RECEIPTS, OR ASSETS OF THE AUTHORITY; AND**

28 **(2) SECURED BY A SECURITY INTEREST OR OTHER INSTRUMENT**
29 **COVERING ALL OR ANY PART OF ONE OR MORE ELIGIBLE LOANS OR EDUCATION**
30 **LOANS MADE OR ACQUIRED BY THE AUTHORITY IN ACCORDANCE WITH THE**
31 **PROVISIONS OF THIS SUBTITLE.**

32 **(B) THE RESOLUTION UNDER WHICH THE BONDS OR NOTES ARE**
33 **AUTHORIZED TO BE ISSUED AND ANY SECURITY INTEREST OR OTHER INSTRUMENT**
34 **MAY CONTAIN:**

1 **(1) AGREEMENTS AND PROVISIONS REGARDING THE SERVICING OF**
2 **THE LOANS COVERED BY THE RESOLUTION;**

3 **(2) COLLECTION OF PAYMENTS OR REPAYMENTS OR OTHER**
4 **REVENUES FROM THE BONDS OR NOTES;**

5 **(3) CREATION AND MAINTENANCE OF SPECIAL FUNDS FROM THE**
6 **REVENUES COLLECTED; AND**

7 **(4) RIGHTS AND REMEDIES AVAILABLE IN THE EVENT OF DEFAULT.**

8 **(C) EACH PLEDGE, ASSIGNMENT, AGREEMENT, SECURITY INTEREST, OR**
9 **OTHER INSTRUMENT MADE FOR THE BENEFIT OR SECURITY OF ANY OF THE BONDS**
10 **OR NOTES OF THE AUTHORITY SHALL CONTINUE IN EFFECT UNTIL:**

11 **(1) THE PRINCIPAL OF AND INTEREST ON THE BONDS OR NOTES FOR**
12 **THE BENEFIT OF WHICH THE PLEDGE OR SECURITY AGREEMENT WAS MADE IS FULLY**
13 **PAID; OR**

14 **(2) PAYMENT IS MADE IN THE MANNER PROVIDED IN THE**
15 **RESOLUTION UNDER WHICH THE BONDS OR NOTES WERE AUTHORIZED.**

16 **(D) (1) ANY PLEDGE MADE BY THE AUTHORITY SHALL BE VALID AND**
17 **BINDING FROM THE TIME THE PLEDGE IS MADE.**

18 **(2) MONEY OR PROPERTY PLEDGED AND RECEIVED AFTER THE**
19 **PLEDGE BY THE AUTHORITY SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF THE**
20 **PLEDGE WITHOUT PHYSICAL DELIVERY OR FURTHER ACTION.**

21 **(3) THE LIEN OF THE PLEDGE SHALL BE VALID AND BINDING AGAINST**
22 **ALL PARTIES HAVING A CLAIM IN TORT, CONTRACT, OR AGAINST THE AUTHORITY,**
23 **WHETHER OR NOT THE PARTIES HAVE NOTICE OF THE CLAIM.**

24 **(4) THE RESOLUTION AND ANY INSTRUMENT BY WHICH A PLEDGE IS**
25 **CREATED DOES NOT NEED TO BE RECORDED.**

26 **(E) ANY RESOLUTION UNDER WHICH BONDS OR NOTES OF AUTHORITY ARE**
27 **AUTHORIZED TO BE ISSUED, AND ANY TRUST INDENTURE ESTABLISHED BY THE**
28 **RESOLUTION, MAY CONTAIN PROVISIONS FOR VESTING IN A TRUSTEE ANY**
29 **PROPERTIES, RIGHTS, POWERS, AND DUTIES IN TRUST AS THE AUTHORITY MAY**
30 **DETERMINE.**

1 18-3113.

2 (A) ALL MONEY RECEIVED IN ACCORDANCE WITH THIS SUBTITLE SHALL BE
3 TRUST FUNDS TO BE HELD AND APPLIED SOLELY AS PROVIDED IN THE
4 PROCEEDINGS UNDER WHICH THE BONDS OR NOTES ARE AUTHORIZED.

5 (B) ANY OFFICER WITH WHOM, OR ANY BANK OR TRUST COMPANY WITH
6 WHICH, ANY MONEY SHALL BE DEPOSITED AS TRUSTEE OF THE MONEY SHALL HOLD
7 AND APPLY THE MONEY FOR ITS PURPOSES, SUBJECT TO THE APPLICABLE
8 PROVISIONS OF THIS SUBTITLE, THE PROCEEDINGS AUTHORIZING THE BONDS OR
9 NOTES, AND THE TRUST AGREEMENT SECURING THOSE BONDS OR NOTES.

10 18-3114.

11 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE
12 AUTHORITY, THE PROPERTY OF THE AUTHORITY, MONEY, BONDS, OR NOTES ISSUED
13 UNDER THE PROVISIONS OF THIS SUBTITLE, AND THE INCOME, INCLUDING GAIN
14 FROM SALE OR EXCHANGE, SHALL AT ALL TIMES BE FREE FROM TAXATION OF EVERY
15 KIND BY THE STATE AND BY THE MUNICIPALITIES AND ALL POLITICAL
16 SUBDIVISIONS OF THE STATE.

17 (B) THE PROPERTY AND INCOME DESCRIBED UNDER SUBSECTION (A) OF
18 THIS SECTION SHALL BE SUBJECT TO ESTATE, INHERITANCE, AND GIFT TAXES.

19 18-3115.

20 ALL BANKS, BANKERS, TRUST COMPANIES, SAVINGS BANKS AND
21 INSTITUTIONS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES,
22 INSURANCE COMPANIES AND ASSOCIATIONS, ALL EXECUTORS, ADMINISTRATORS,
23 GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY
24 SINKING FUNDS, MONEY, OR OTHER FUNDS WITHIN THEIR CONTROL IN ANY BONDS
25 ISSUED UNDER THIS SUBTITLE.

26 18-3116.

27 (A) THE STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF ANY
28 BONDS OR NOTES ISSUED UNDER THIS SUBTITLE THAT THE STATE WILL NOT LIMIT
29 OR ALTER THE RIGHTS VESTED IN THE AUTHORITY TO FULFILL THE TERMS OF ANY
30 AGREEMENTS MADE WITH THE HOLDERS UNTIL THE BONDS OR NOTES AND
31 INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR
32 PROCEEDING BY OR ON BEHALF OF THE BOND OR NOTE HOLDERS ARE FULLY MET
33 AND DISCHARGED.

1 **(B) THE AUTHORITY IS AUTHORIZED TO INCLUDE THIS PLEDGE AND**
2 **AGREEMENT OF THE STATE IN ANY AGREEMENT WITH THE HOLDERS OF THE BONDS**
3 **OR NOTES.**

4 **18-3117.**

5 **(A) OBLIGATIONS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE**
6 **SHALL BE PAYABLE SOLELY FROM THE REVENUES OR ASSETS OF THE AUTHORITY.**

7 **(B) OBLIGATIONS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE:**

8 **(1) MAY NOT CONSTITUTE A DEBT, A LIABILITY, OR AN OBLIGATION**
9 **OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE, OTHER THAN THE**
10 **AUTHORITY; AND**

11 **(2) ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR**
12 **ANY POLITICAL SUBDIVISION OTHER THAN THE AUTHORITY.**

13 **(C) EACH OBLIGATION ISSUED UNDER THIS SUBTITLE SHALL CONTAIN ON**
14 **THE FACE OF EACH OBLIGATION A STATEMENT THAT:**

15 **(1) THE AUTHORITY MAY NOT BE OBLIGATED TO PAY THE**
16 **OBLIGATION OR ITS INTEREST EXCEPT FROM REVENUES OR ASSETS PLEDGED FOR**
17 **THE OBLIGATION; AND**

18 **(2) NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF**
19 **THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE**
20 **AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST**
21 **ON THE OBLIGATION.**

22 **18-3118.**

23 **THE AUTHORITY IS AUTHORIZED TO ACCEPT ANY MONEY AS MAY BE**
24 **APPROPRIATED BY THE GENERAL ASSEMBLY TO CARRY OUT THE CORPORATE**
25 **PURPOSES OF THE AUTHORITY, INCLUDING:**

26 **(1) THE PAYMENT OF THE INITIAL EXPENSES OF ADMINISTRATION**
27 **AND OPERATION; AND**

28 **(2) THE ESTABLISHMENT OF RESERVES OR CONTINGENCY FUNDS TO**
29 **BE AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON ANY**
30 **BONDS, NOTES, OR OTHER OBLIGATIONS OF THE AUTHORITY.**

1 18-3119.

2 (A) (1) THE AUTHORITY SHALL KEEP FULL AND ACCURATE ACCOUNTS OF
3 ITS ACTIVITIES AND OPERATIONS AND, ON OR BEFORE DECEMBER 31 EACH YEAR,
4 SHALL REPORT TO THE COUNTY EXECUTIVE, THE COUNTY COUNCIL, AND, IN
5 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
6 ASSEMBLY.

7 (2) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND
8 FINANCIAL STATEMENT FOR THE PRECEDING FISCAL YEAR.

9 (B) (1) THE AUTHORITY SHALL CAUSE AN AUDIT OF ITS BOOKS AND
10 ACCOUNTS TO BE MADE AT LEAST ONCE EACH YEAR BY INDEPENDENT CERTIFIED
11 PUBLIC ACCOUNTANTS.

12 (2) THE COST OF THE AUDIT SHALL BE PAID BY THE AUTHORITY
13 FROM FUNDS AVAILABLE TO THE AUTHORITY IN ACCORDANCE WITH THIS SUBTITLE.

14 (3) THE AUDIT REQUIRED UNDER THIS SUBSECTION SHALL BE
15 CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
16 BY AN INDEPENDENT AUDITOR, WHO IS A CERTIFIED PUBLIC ACCOUNTANT AND WHO
17 IS IN GOOD STANDING UNDER THE LAWS OF THE STATE OR A CERTIFIED
18 ACCOUNTING FIRM.

19 18-3120.

20 IF ANY PROVISIONS OF THIS SUBTITLE ARE INCONSISTENT WITH THE
21 PROVISIONS OF ANY OTHER LAW OR ORDINANCE, THE PROVISIONS OF THIS
22 SUBTITLE SHALL BE CONTROLLING.

23 18-3121.

24 (A) NOTHING CONTAINED IN THIS SUBTITLE SHALL RESTRICT OR LIMIT THE
25 POWERS OF THE AUTHORITY ARISING UNDER ANY LAWS OF THE STATE.

26 (B) THE ISSUANCE OF ALL BONDS, NOTES, AND OTHER OBLIGATIONS OF
27 THE AUTHORITY UNDER THE PROVISIONS OF THIS SUBTITLE NEED NOT COMPLY
28 WITH THE REQUIREMENTS OF ANY OTHER STATUTE APPLICABLE TO THE ISSUANCE
29 OF BONDS, NOTES, OR OTHER OBLIGATIONS.

30 (C) EXCEPT AS PROVIDED IN THIS SUBTITLE, NO PROCEEDINGS OR NOTICE
31 OF APPROVAL SHALL BE REQUIRED FOR THE ISSUANCE OF ANY BONDS, NOTES, AND
32 OTHER OBLIGATIONS OR ANY INSTRUMENTS OF SECURITY.

1 **18-3122.**

2 **(A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE**
3 **WELFARE OF THE RESIDENTS OF HARFORD COUNTY AND THE STATE, SHALL BE**
4 **LIBERALLY CONSTRUED TO EFFECT ITS PURPOSES.**

5 **(B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE, AND IF ANY OF**
6 **THE PROVISIONS ARE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT**
7 **JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF**
8 **THE REMAINING PROVISIONS.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2016.