

HOUSE BILL 887

B5

(11r1326)

ENROLLED BILL

— Appropriations/Budget and Taxation —

Introduced by **Delegate Chang**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **State Debt – Annuity Bond Fund – Use of Bond Premiums**

3 FOR the purpose of altering the authorized use of certain premiums transferred to the
4 Annuity Bond Fund from the sale of State bonds to include paying for capital projects
5 and, under certain circumstances, any other use authorized by the Internal Revenue
6 Code; *making a conforming change*; defining a certain term; and generally relating
7 to the use of certain premiums transferred to the Annuity Bond Fund from the sale
8 of State bonds.

9 *BY repealing and reenacting, without amendments,*

10 *Article – State Finance and Procurement*

11 *Section 8-125(a)*

12 *Annotated Code of Maryland*

13 *(2015 Replacement Volume and 2020 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.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – State Finance and Procurement
 3 Section 8–125(e) and 8–132
 4 Annotated Code of Maryland
 5 (2015 Replacement Volume and 2020 Supplement)

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

8 **Article – State Finance and Procurement**

9 8–125.

10 (a) In this section, “Fund” means the State and Local Facilities Loan Fund.

11 (e) (1) Unless payment of expenses otherwise has been provided, the expenses of
 12 each bond sale shall be paid from the proceeds of that bond sale credited to the premium
 13 and expense account.

14 (2) After the expenses of each sale of State bonds have been paid, the
 15 remaining premium credited to the premium and expense account from that bond sale shall
 16 be transferred to the Annuity Bond Fund [to pay debt service on State bonds].

17 8–132.

18 (a) **IN THIS SECTION, “CODE” MEANS THE INTERNAL REVENUE CODE OF**
 19 **1986 AND INCLUDES REGULATIONS AND RULINGS ISSUED UNDER THAT CODE.**

20 (B) There is an Annuity Bond Fund.

21 [(b)] (C) The Comptroller shall:

22 (1) credit to the Annuity Bond Fund any money appropriated in the State
 23 budget to:

24 (i) meet the debt service requirements on State bonds; and

25 (ii) pay the costs of fiscal agents and other contracting parties
 26 appointed by the State Treasurer under §§ 8–121 and 8–136 of this subtitle; and

27 (2) as specified in the appropriation, use the money to meet the debt service
 28 on the State bonds and pay fiscal agents and other contracting parties’ costs.

29 [(c)] (D) Any premium from the sale of State bonds transferred to the Annuity
 30 Bond Fund under § 8–125 of this subtitle may be used to pay **FOR:**

- 1 **(1)** debt service on State bonds;
- 2 **(2)** **CAPITAL PROJECTS; OR**
- 3 **(3)** **IF NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY**
4 **WITH THE REQUIREMENTS OF THE CODE, ANY OTHER USE AUTHORIZED BY THE**
5 **CODE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
7 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.