

HOUSE BILL 887

B5

1r1326
CF SB 60

By: **Delegate Chang**

Introduced and read first time: January 29, 2021

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: February 26, 2021

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; defining a certain term; and generally relating to the use of certain premiums
7 transferred to the Annuity Bond Fund from the sale of State bonds.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 8–132
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2020 Supplement)

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

15 **Article – State Finance and Procurement**

16 8–132.

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

19 (B) There is an Annuity Bond Fund.

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

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

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

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

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

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

11 **(1)** debt service on State bonds;

12 **(2)** **CAPITAL PROJECTS; OR**

13 **(3)** **IF NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY**
14 **WITH THE REQUIREMENTS OF THE CODE, ANY OTHER USE AUTHORIZED BY THE**
15 **CODE.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
17 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.