

Chapter 503

(Senate Bill 60)

AN ACT concerning

State Debt – Annuity Bond Fund – Use of Bond Premiums

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

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 8–125(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 8–125(e) and 8–132

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

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

Article – State Finance and Procurement

8–125.

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

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

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

8–132.

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

(B) There is an Annuity Bond Fund.

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

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

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

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

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

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

(1) debt service on State bonds;

(2) **CAPITAL PROJECTS; OR**

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.