
By: Delegates Schisler, Walkup, Eckardt, W. Baker, Guns, and Rudolph

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Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, March 3, 1997

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 1997

CHAPTER ____

1 AN ACT concerning

2 **Higher Education - ~~Board of Trustees for Chesapeake College~~ Community Colleges -**
3 **Authority to Borrow**

4 FOR the purpose of authorizing the Boards of Community College Trustees for Allegany
5 County, Anne Arundel County, Baltimore County, Carroll County, Cecil County,
6 and Frederick County and the Board of Trustees for Chesapeake College to borrow
7 money for the acquisition of interests in personal property to be used for the
8 operation of the college under certain conditions; authorizing the ~~Board~~ Boards to
9 use the property or revenues derived from the property as security for the money
10 borrowed; providing for the termination of certain financing agreements under
11 certain circumstances; providing that money borrowed under this Act is not a debt
12 or obligation of certain governing bodies; making a portion of this Act retroactive
13 under certain circumstances; providing for the effective date of this Act; and
14 generally relating to the authority of the Board of Community College Trustees for
15 Allegany County, Anne Arundel County, Baltimore County, Carroll County, Cecil
16 County, and Frederick County and the Board of Trustees for Chesapeake College to
17 borrow money for the operation of the College.

18 BY repealing and reenacting, with amendments,
19 Article - Education
20 Section 16-302 and 16-303
21 Annotated Code of Maryland
22 (1997 Replacement Volume)

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

2

1 **Article - Education**

2 16-302.

3 (a) Notwithstanding any other provisions of this subtitle, and subject to funds
4 being appropriated, the Board of Community College Trustees for ALLEGANY COUNTY,
5 ANNE ARUNDEL COUNTY, BALTIMORE COUNTY, CARROLL COUNTY, CECIL COUNTY,
6 Charles County, CHESAPEAKE COLLEGE, FREDERICK COUNTY, Garrett County,
7 Howard County, Montgomery County, or Prince George's County may borrow money to
8 acquire an interest in personal property, including fixtures, for the operation of the
9 community college, on terms and conditions that the Board of Trustees considers proper.

10 (b) A borrowing under this section may be secured by the personal property
11 acquired or revenues derived from the property.

12 (c) All multiyear financing agreements reflecting borrowing under this section
13 shall be subject to cancellation by the Board of Trustees at the end of a fiscal year if
14 sufficient funds are not appropriated to fund the agreement in subsequent years.

15 (d) (1) Borrowing under this section does not create or constitute a debt or
16 obligation of the State or any political subdivision of the State other than a community
17 college.

18 (2) Borrowing under this section does not constitute a debt or obligation of
19 the General Assembly or pledge the faith and credit of the State within the meaning of
20 Article III, § 34 of the Maryland Constitution.

21 (e) (1) This subsection does not apply to the Board of Community College
22 Trustees for Garrett County.

23 (2) (i) Borrowing under this section shall be for the use of financing
24 intermediate term lease purchasing agreements.

25 (ii) The term of any lease purchase agreement entered into under this
26 section may not exceed the estimated life of the equipment subject to the financing
27 agreement.

28 (f) (1) The Board of Community College Trustees for Garrett County may
29 enter into a lease purchase agreement if the lease purchase agreement is consistent with
30 the provisions of this section.

31 (2) The term of any lease purchase agreement entered into by the Board of
32 Community College Trustees for Garrett County may not exceed the estimated life of the
33 equipment subject to the financing agreement.

34 16-303.

35 (A) Notwithstanding any other provision of law, a lease purchase agreement
36 entered into by the Board of Community College Trustees for Howard County,
37 Montgomery County, or Prince George's County prior to October 1, 1992 shall be deemed
38 authorized under § 16-302 of this subtitle, if the lease purchase agreement satisfies the
39 requirements of § 16-302 of this subtitle.

3

1 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LEASE PURCHASE
2 AGREEMENT ENTERED INTO BY THE BOARD OF COMMUNITY COLLEGE TRUSTEES
3 FOR ALLEGANY COUNTY, ANNE ARUNDEL COUNTY, BALTIMORE COUNTY, CARROLL
4 COUNTY, CECIL COUNTY, OR FREDERICK COUNTY OR THE BOARD OF TRUSTEES OF
5 CHESAPEAKE COLLEGE BEFORE JUNE 1, 1997 SHALL BE DEEMED AUTHORIZED
6 UNDER § 16-302 OF THIS SUBTITLE, IF THE LEASE PURCHASE AGREEMENT SATISFIES
7 THE REQUIREMENTS OF § 16-302 OF THIS SUBTITLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 1997.