

SENATE BILL 773

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F3
SB 795/99 - B&T

2000 Regular Session
0lr1649
CF 0lr1648

By: **Senator McFadden**
Introduced and read first time: February 4, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 28, 2000

CHAPTER _____

1 AN ACT concerning

2 **Education - New Baltimore City Board of School Commissioners - Bonding**
3 **Authority**

4 FOR the purpose of authorizing the New Baltimore City Board of School
5 Commissioners to issue bonds for the acquisition, development, or improvement
6 of public school facilities in the Baltimore City Public School System;
7 establishing the rights and duties associated with the bonding authority;
8 requiring passage of a certain resolution by the Mayor and City Council of
9 Baltimore before a bond may be issued; providing for the construction and
10 severability of a portion of this Act; and generally relating to the Baltimore City
11 Public School System.

12 BY repealing and reenacting, with amendments,
13 Article - Education
14 Section 4-301 and 4-313(a)
15 Annotated Code of Maryland
16 (1999 Replacement Volume)

17 BY adding to
18 Article - Education
19 Section 4-306.1 through 4-306.6
20 Annotated Code of Maryland
21 (1999 Replacement Volume)

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

1 **Article - Education**

2 4-301.

3 (a) In this subtitle the following words have the meanings indicated.

4 (b) "Board" means the New Baltimore City Board of School Commissioners of
5 the Baltimore City Public School System.

6 (C) "BONDS" MEANS REVENUE BONDS, REFUNDING BONDS, CERTIFICATES,
7 NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER EVIDENCE OF INDEBTEDNESS,
8 AND, WHERE APPLICABLE, BOND ANTICIPATION NOTES.

9 [(c)] (D) "Chief Executive Officer" means the Chief Executive Officer of the
10 New Baltimore City Board of School Commissioners.

11 (E) "COSTS" AS APPLIED TO ANY PROJECT MEANS ALL COSTS OF THE
12 PROJECT, INCLUDING:

13 (1) THE COST OF ACQUISITION, CONSTRUCTION, RECONSTRUCTION,
14 EQUIPPING, MAINTENANCE, REPAIR, AND RENOVATION;

15 (2) THE COST OF ACQUISITION OF ALL LAND, RIGHTS-OF-WAY,
16 PROPERTY RIGHTS, EASEMENTS, AND INTERESTS ACQUIRED BY THE BOARD;

17 (3) FINANCE CHARGES AND INTEREST PRIOR TO AND DURING
18 CONSTRUCTION AND FOR 1 YEAR AFTER COMPLETION OF CONSTRUCTION;

19 (4) THE COST OF ARCHITECTURAL, ENGINEERING, AND LEGAL
20 EXPENSES, PLANS, SPECIFICATIONS, FEASIBILITY STUDIES, SURVEYS, ESTIMATES OF
21 COSTS AND REVENUE, AND OTHER EXPENSES NECESSARY OR DESIRABLE FOR
22 DETERMINING THE FEASIBILITY OR PRACTICABILITY OF CONSTRUCTION OF ANY
23 PROJECT;

24 (5) RESERVES FOR THE PAYMENT OF DEBT SERVICE, OPERATING
25 RESERVES, AND REPAIR AND REPLACEMENT FUNDS; AND

26 (6) ADMINISTRATIVE EXPENSES AND OTHER EXPENSES NECESSARY OR
27 ALLOCABLE TO ANY PROJECT, THE FINANCING OR REFINANCING OF ANY PROJECT,
28 THE ISSUANCE OF BONDS, AND THE PLACING OF ANY PROJECT IN OPERATION.

29 (F) "PROJECT" MEANS THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,
30 EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF ANY PUBLIC SCHOOL
31 FACILITY.

32 (G) "PUBLIC SCHOOL FACILITY" MEANS A BUILDING, PARKING FACILITY,
33 ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN THE CITY OF
34 BALTIMORE, NOW EXISTING OR HEREAFTER ACQUIRED OR CONSTRUCTED, THAT IS
35 USED BY THE BOARD IN RELATION TO THE EDUCATION OF STUDENTS IN THE
36 BALTIMORE CITY PUBLIC SCHOOL SYSTEM.

1 4-306.1.

2 (A) IN ORDER TO PROVIDE PUBLIC SCHOOL FACILITIES, THE BOARD MAY:

3 (1) ACQUIRE, CONSTRUCT, RECONSTRUCT, EQUIP, MAINTAIN, REPAIR,
4 OR RENOVATE FACILITIES AT ANY LOCATION IN THE CITY OF BALTIMORE, NOW
5 EXISTING OR HEREAFTER ACQUIRED;

6 (2) ISSUE BONDS IN ACCORDANCE WITH § 4-306.2 OF THIS SUBTITLE;

7 (3) IN ACCORDANCE WITH STATE LAW AND THE JUNE 24, 1998,
8 MEMORANDUM OF UNDERSTANDING BETWEEN THE BOARD AND THE MAYOR AND
9 CITY COUNCIL OF BALTIMORE, ACQUIRE, HOLD, AND DISPOSE OF REAL AND
10 PERSONAL PROPERTY IN THE EXERCISE OF ITS POWERS AND THE PERFORMANCE OF
11 ITS DUTIES UNDER THIS SUBTITLE;

12 (4) ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY OR
13 INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS
14 POWERS UNDER THIS SUBTITLE, EMPLOY CONSULTING ENGINEERS, ARCHITECTS,
15 ATTORNEYS, CONSTRUCTION AND FINANCIAL EXPERTS, AND OTHER EMPLOYEES
16 AND AGENTS, AND DETERMINE THEIR COMPENSATION;

17 (5) RECEIVE AND ACCEPT FROM THE UNITED STATES OF AMERICA OR
18 ANY AGENCY OF THE FEDERAL GOVERNMENT GRANTS AND LOANS FOR THE
19 PURPOSE OF FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF ANY
20 PROJECT;

21 (6) RECEIVE AND ACCEPT AID OR CONTRIBUTIONS FROM ANY SOURCES
22 OF MONEY, PROPERTY, LABOR, OR OTHER THINGS OF VALUE, TO BE HELD, USED, AND
23 APPLIED FOR THE PURPOSES FOR WHICH THE GRANTS AND CONTRIBUTIONS WERE
24 MADE; AND

25 (7) PERFORM ALL ACTS AND THINGS NECESSARY TO CARRY OUT THE
26 POWERS EXPRESSLY GRANTED BY THE PROVISIONS OF THIS SUBTITLE.

27 (B) THE BOARD SHALL MAINTAIN RECORDS IDENTIFYING THE SOURCES AND
28 AMOUNTS OF PAYMENTS USED TO SUPPORT THE COSTS OF ANY PROJECT
29 AUTHORIZED UNDER THE PROVISIONS OF THIS SUBTITLE.

30 4-306.2.

31 (A) THE BOARD MAY ISSUE BONDS FOR THE PURPOSE OF FINANCING OR
32 REFINANCING ALL OR ANY PART OF THE COSTS OF ANY PROJECT.

33 (B) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING, ~~LESS~~
34 INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED FOR
35 THE BONDS, MAY NOT EXCEED, AS OF THE DATE THAT THE BONDS ARE ISSUED,
36 \$25,000,000.

1 (C) BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE BOARD AND
 2 MAY BE SECURED BY A TRUST AGREEMENT BY AND BETWEEN THE BOARD AND A
 3 CORPORATE TRUSTEE OR TRUSTEES WHICH MAY BE ANY TRUST COMPANY OR BANK
 4 HAVING THE POWERS OF A TRUST COMPANY WITHIN OR OUTSIDE OF THE STATE.

5 (D) BEFORE THE BOARD MAY ISSUE A BOND UNDER THIS SECTION, THE
 6 MAYOR AND CITY COUNCIL OF BALTIMORE SHALL PASS A RESOLUTION APPROVING
 7 THE BOARD'S ISSUANCE OF THE BOND AND SHALL FORWARD THAT RESOLUTION TO
 8 THE BOARD.

9 ~~(D)~~ ~~(A)~~ (E) THE RESOLUTION OF THE BOARD AUTHORIZING THE BONDS:

10 ~~(A)~~ (1) SHALL DESCRIBE THE ~~PROJECT WHICH IS~~ PROJECTS
 11 WHICH ARE TO BE FINANCED OR REFINANCED BY THE BOND;

12 ~~(A)~~ (2) SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE
 13 BOND;

14 ~~(A)~~ (3) SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE
 15 BONDS;

16 (4) SHALL PROVIDE THAT THE PROCEEDS OF THE BONDS SHALL BE
 17 INVESTED IN ACCORDANCE WITH ANY INVESTMENT POLICY APPROVED BY THE
 18 BOARD; AND

19 ~~(A)~~ (5) MAY PROVIDE THAT THE BONDS ARE REDEEMABLE
 20 BEFORE MATURITY AT A PRICE OR PRICES AND UNDER TERMS AND CONDITIONS OR
 21 IN ACCORDANCE WITH A METHOD DETERMINED BY THE BOARD; ~~AND.~~

22 ~~(2)~~ ~~THE BOARD SHALL MAINTAIN SEPARATE ACCOUNTS TO IDENTIFY~~
 23 ~~THE SOURCES OF PAYMENT OF THE BONDS FOR THE ACQUISITION, DEVELOPMENT,~~
 24 ~~OR IMPROVEMENT OF PUBLIC SCHOOL FACILITIES.~~

25 ~~(E)~~ (F) THE RESOLUTION OF THE BOARD OR THE TRUST AGREEMENT
 26 RELATING TO THE BONDS MAY CONTAIN PROVISIONS THAT:

27 (1) LIMIT THE PURPOSE TO WHICH THE PROCEEDS OF ANY ISSUE OF
 28 BONDS MAY BE APPLIED AND RESTRICT THE INVESTMENT OF REVENUES OR BOND
 29 PROCEEDS IN GOVERNMENT OBLIGATIONS FOR WHICH PRINCIPAL AND INTEREST
 30 ARE UNCONDITIONALLY GUARANTEED BY THE UNITED STATES OF AMERICA;

31 (2) PROVIDE FOR THE ISSUANCE OF ADDITIONAL BONDS TO FINANCE
 32 OR REFINANCE ANY PROJECTS, WHICH MAY NOT EXCEED THE TOTAL VALUE OF THE
 33 OUTSTANDING BONDS ALLOWED UNDER SUBSECTION (B) OF THIS SECTION;

34 (3) ASSIGN ALL OR ANY PART OF THE BOARD'S FUNDS OR ASSETS; ~~AND~~

35 (4) PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE
 36 BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF
 37 THE LAW, INCLUDING COVENANTS THAT SHALL INCLUDE:

1 (I) THE DUTIES OF THE BOARD IN RELATION TO THE PROJECT;
2 (II) THE DUTIES OF THE BOARD IN RELATION TO ITS FUNDS;
3 (III) THE CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL
4 MONEYS; AND

5 ~~(IV) PROVISIONS FOR CONSULTATION WITH THE INTERAGENCY~~
6 ~~COMMITTEE ON SCHOOL CONSTRUCTION IN CONNECTION WITH THE~~
7 ~~CONSTRUCTION OR OPERATION OF PUBLIC SCHOOL FACILITIES FOR THE~~
8 ~~BALTIMORE CITY PUBLIC SCHOOL SYSTEM; AND~~

9 ~~(V)~~ (IV) THE RIGHTS AND REMEDIES OF BONDHOLDERS AND
10 TRUSTEES, AND MAY RESTRICT THE INDIVIDUAL RIGHT OF ACTION BY
11 BONDHOLDERS; AND

12 (5) THE BOARD DEEMS REASONABLE AND PROPER FOR THE SECURITY
13 OF THE BONDHOLDERS, INCLUDING COVENANTS PERTAINING TO THE ISSUANCE OF
14 ADDITIONAL PARITY BONDS UPON STATED CONDITIONS.

15 ~~(F) UNLESS OTHERWISE PROVIDED IN THE RESOLUTION OR TRUST~~
16 ~~AGREEMENT, THE ADDITIONAL BONDS SHALL BE DEEMED TO BE ON A PARITY WITH~~
17 ~~OTHER BONDS ISSUED BY THE BOARD.~~

18 (G) THE BONDS SHALL:

19 (1) BE DATED AND BEAR INTEREST AT THE FIXED OR VARIABLE RATE
20 OR RATES DETERMINED BY THE METHOD PROVIDED IN THE RESOLUTION OF THE
21 BOARD AUTHORIZING THE ISSUANCE OF THE BONDS;

22 (2) MATURE AT A TIME OR TIMES NOT EXCEEDING THE USEFUL LIFE OF
23 ~~THE PROJECT~~ PROJECTS FOR WHICH THE BONDS ARE ISSUED, BUT IN NO EVENT
24 SHALL THE MATURITY OF THE BONDS EXCEED 15 YEARS FROM THEIR DATE OR
25 DATES OF ISSUE, AS MAY BE DETERMINED BY THE BOARD;

26 (3) BE ISSUED AT, ABOVE, OR BELOW PAR VALUE, FOR CASH OR OTHER
27 VALUABLE CONSIDERATION;

28 (4) BE PAYABLE AT A TIME OR TIMES, IN THE DENOMINATIONS AND
29 FORM, EITHER COUPON OR REGISTERED OR BOTH, AND CARRY THE REGISTRATION
30 AND PRIVILEGES AS TO CONVERSION AND FOR THE REPLACEMENT OF MUTILATED,
31 LOST, OR DESTROYED BONDS AS THE RESOLUTION OF THE BOARD MAY PROVIDE;

32 (5) BEAR THE MANUAL OR FACSIMILE SIGNATURE OF THE CHIEF
33 EXECUTIVE OFFICER OR ONE OF THE OTHER MEMBERS OF THE BOARD IN CASE ANY
34 OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY BONDS OR
35 COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE BONDS, THE
36 SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND SUFFICIENT FOR
37 ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL DELIVERY;

1 (6) BEAR THE OFFICIAL SEAL OF THE BOARD OR A FACSIMILE OF THE
2 SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR FACSIMILE
3 SIGNATURE OF THE SECRETARY OF THE BOARD;

4 (7) BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OF
5 AMERICA AT A DESIGNATED PLACE;

6 (8) BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT, REDEMPTION,
7 REFUNDING, OR REFINANCING THAT THE RESOLUTION OF THE BOARD PROVIDES;
8 AND

9 (9) BE SOLD IN THE MANNER AND UPON THE TERMS DETERMINED BY
10 THE BOARD INCLUDING PRIVATE OR NEGOTIATED SALE.

11 (H) ALL BONDS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE SHALL
12 HAVE ALL THE QUALITIES AND INCIDENTS OF NEGOTIABLE INSTRUMENTS UNDER
13 THE LAWS OF THE STATE RELATING TO NEGOTIABLE INSTRUMENTS.

14 (I) PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE BOARD, UNDER
15 LIKE RESTRICTIONS, MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS, WITH
16 OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE BONDS
17 ARE EXECUTED AND AVAILABLE FOR DELIVERY.

18 (J) (1) BONDS MAY BE ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE:

19 (I) WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT,
20 DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE; OR

21 (II) WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE OF
22 ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT
23 ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.

24 (2) THE PROVISIONS OF TITLE 8, SUBTITLE 2 OF THE STATE FINANCE
25 AND PROCUREMENT ARTICLE DO NOT APPLY TO BONDS ISSUED UNDER THE
26 PROVISIONS OF THIS SUBTITLE.

27 (K) THE BOARD SHALL ESTABLISH ONE OR MORE TRUST FUNDS FOR THE
28 DEPOSIT OF THE PROCEEDS OF THE BONDS OF ANY ISSUE.

29 (L) THE BOARD MAY:

30 (1) MAINTAIN SEPARATE ACCOUNTS FOR PURPOSES OF IDENTIFYING
31 THE SOURCES OF PAYMENT OF THE BONDS FOR THE ACQUISITION, DEVELOPMENT,
32 OR IMPROVEMENT OF PUBLIC SCHOOL FACILITIES; AND

33 (2) RETAIN THE INTEREST REVENUE OR OTHER INVESTMENT INCOME
34 FROM THE BONDS OF ANY ISSUE FOR THE PURPOSES OF APPLYING THE REVENUE OR
35 INCOME TO THE COSTS OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING,
36 RENOVATING, EQUIPPING, MAINTAINING, OR REPAIRING SCHOOL FACILITIES.

1 ~~(K)~~ (M) (1) ANY ~~BONDS~~ BOND ISSUED UNDER THIS SUBTITLE ~~DO~~ SHALL
 2 STATE ON ITS FACE THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY
 3 INDEBTEDNESS OR OBLIGATION OF THE STATE, OF THE MAYOR AND CITY COUNCIL
 4 OF BALTIMORE, OR OF ANY OTHER POLITICAL SUBDIVISION OF THE STATE, EXCEPT
 5 THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, AND THE BONDS
 6 SHALL SO STATE ON THEIR FACE.

7 (2) THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION
 8 CONTRACTED BY THE GENERAL ASSEMBLY OR PLEDGE THE FAITH AND CREDIT OF
 9 THE STATE WITHIN THE MEANING OF ARTICLE III, § 34 OF THE MARYLAND
 10 CONSTITUTION.

11 ~~(L)~~ (N) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED
 12 SOLELY BY:

13 (1) ALL OR ANY PART OF THE FEES OR REVENUES GENERATED BY AN
 14 ACTIVITY OF THE BOARD TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH
 15 PURPOSE;

16 (2) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS
 17 THEREON;

18 (3) ANY GRANT OR GIFT RECEIVED BY THE BOARD TO THE EXTENT
 19 LAWFULLY AVAILABLE FOR SUCH PURPOSE;

20 (4) RESERVES OR OTHER FUNDS ESTABLISHED FOR THE BONDS UNDER
 21 THE RESOLUTION OR TRUST AGREEMENT;

22 (5) ANY MONEYS WHICH MAY LAWFULLY BE APPLIED TO THE PAYMENT
 23 OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY APPROPRIATION BY THE
 24 STATE OR BALTIMORE CITY MADE LAWFULLY AVAILABLE FOR SUCH PURPOSE; OR

25 (6) ANY SOURCE OF FUNDS TO WHICH THE BOARD HAS ACCESS TO THE
 26 EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE.

27 ~~(M)~~ (O) PRIOR TO AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER
 28 COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH
 29 BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF THE
 30 PROCEEDS OF THE BONDS OR OUT OF OTHER MONEYS ALLOCATED FOR THAT
 31 PURPOSE.

32 ~~(N)~~ (P) (1) THE BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE
 33 ISSUANCE AND SALE OF ~~REVENUE BOND~~ ANTICIPATION NOTES IN ACCORDANCE
 34 WITH THE PROCEDURES SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE
 35 ISSUANCE OF BONDS.

36 (2) EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD BE
 37 INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" USED IN THIS
 38 SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE

1 PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE AND
2 ITS POLITICAL SUBDIVISIONS.

3 ~~(P)~~ (Q) IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE BOARD
4 MAY:

5 (1) OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR BOND
6 INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF CREDIT,
7 OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY FOR ANY
8 BONDS; AND

9 (2) PLEDGE OR ASSIGN ALL OR ANY PART OF THE FUNDS OF THE BOARD
10 TO THE REPAYMENT OR REIMBURSEMENT OF THE PROVIDER OF THE BOND
11 INSURANCE, RESERVE FUND INSURANCE, LETTER OF CREDIT, LINE OF CREDIT, OR
12 OTHER FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY.

13 ~~(P)~~ (R) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE
14 COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST
15 AGREEMENT FOR ANY BONDS.

16 ~~(Q)~~ (S) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS
17 OF THE STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS MAY
18 FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY THE
19 BOARD.

20 ~~(R)~~ (T) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A
21 TRUST AGREEMENT IF IT SO STIPULATES.

22 ~~(S)~~ (U) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF
23 ANY TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF THE
24 COST OF THE OPERATIONS OF THE BOARD.

25 ~~(T)~~ (V) UPON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL
26 WITHHOLD FROM ANY INSTALLMENT DUE THE BOARD FROM THE GENERAL STATE
27 SCHOOL FUND ~~AND THE DIRECTOR OF FINANCE OF BALTIMORE CITY SHALL~~
28 ~~WITHHOLD FROM ANY FUNDS APPROPRIATED TO THE BOARD~~ MONEYS FOR DEPOSIT
29 TO THE CREDIT OF A SINKING FUND MAINTAINED TO PAY THE PRINCIPAL AND
30 INTEREST ON THE BONDS. SUCH MONEYS SHALL BE WITHHELD UNTIL THE BONDS
31 ARE NO LONGER OUTSTANDING AND UNPAID AND SHALL BE WITHHELD IN
32 INSTALLMENTS. THE AMOUNT OF EACH INSTALLMENT SHALL BE DETERMINED AT
33 THE TIME THE BONDS ARE ISSUED AND SHALL BE PROVIDED IN WRITING BY THE
34 BOARD TO THE STATE COMPTROLLER ~~AND TO THE DIRECTOR OF FINANCE OF~~
35 ~~BALTIMORE CITY~~, PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH
36 INSTALLMENTS SHALL ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL AND
37 INTEREST ON THE BONDS.

38 4-306.3.

39 (A) THE EXERCISE OF THE POWERS GRANTED BY THE PROVISIONS OF THIS
40 SUBTITLE SHALL BE FOR THE BENEFIT OF THE STUDENTS WHO ATTEND THE PUBLIC

1 SCHOOLS UNDER THE BOARD AND FOR THE IMPROVEMENT OF THEIR EDUCATION,
2 PROSPERITY, HEALTH, LIVING CONDITIONS, AND GENERAL WELFARE.

3 (B) THE BOARD SHALL NOT BE REQUIRED TO PAY ANY TAXES OR
4 ASSESSMENTS OF ANY KIND WHATSOEVER AND ITS BONDS, THEIR TRANSFER, THE
5 INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING
6 ANY PROFIT REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL
7 TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE STATE OR BY ANY OF
8 ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF
9 ANY KIND.

10 4-306.4.

11 THE BONDS ARE INVESTMENT SECURITIES.

12 4-306.5.

13 ~~(A)~~ THE TITLE TO ANY PROPERTY ACQUIRED OR CONSTRUCTED UNDER THE
14 PROVISIONS OF THIS SUBTITLE SHALL BE ~~IN THE NAME OF THE BOARD~~ HELD IN
15 ACCORDANCE WITH STATE LAW.

16 ~~(B) (1) THE STATE CONSENTS TO THE USE OF ANY LANDS OWNED BY IT FOR~~
17 ~~THE USE OF THE BOARD THAT MAY BE SUITABLE AND NECESSARY FOR THE~~
18 ~~CONSTRUCTION OR OPERATION OF ANY OF THE PUBLIC SCHOOL FACILITIES~~
19 ~~AUTHORIZED BY THE PROVISIONS OF THIS SUBTITLE.~~

20 ~~(2) THE STATE COVENANTS THAT IT WILL NOT REVOKE THIS CONSENT~~
21 ~~DURING THE TERM OF BONDS ISSUED UNDER THIS SUBTITLE.~~

22 4-306.6.

23 (A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE
24 WELFARE OF THE CITY OF BALTIMORE AND ITS INHABITANTS, SHALL BE LIBERALLY
25 CONSTRUED TO EFFECT THE PURPOSES OF THE PROVISIONS.

26 (B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE, AND IF ANY OF THE
27 PROVISIONS SHALL BE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT
28 JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF
29 THE REMAINING PROVISIONS.

30 4-313.

31 (a) By December 31 of each year and on June 30, 2002, the Chief Executive
32 Officer and the Board shall issue an annual report that includes:

33 (1) A financial statement;

34 (2) A comprehensive accounting of progress in the implementation of the
35 transition plan or master plan including:

1 (i) Assessment of student performance by the categories required
2 by the Maryland School Performance Program standards; and

3 (ii) Specific assessment of the extent of implementation of each
4 item included in § 4-309 of this subtitle, and any changes necessary in previously
5 established timelines; [and]

6 (3) SOURCES OF INCOME AND PAYMENTS OF DEBT SERVICE ON ANY
7 BONDS ISSUED BY THE BOARD IN ACCORDANCE WITH § 4-306.2 OF THIS SUBTITLE;

8 (4) ANTICIPATED SOURCES AND AMOUNTS OF PAYMENTS OF DEBT
9 SERVICE ON ANY BONDS ISSUED BY THE BOARD IN ACCORDANCE WITH § 4-306.2 OF
10 THIS SUBTITLE; AND

11 [(3)] (5) Any other information as required by State law.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2000.