

SENATE BILL 486
EMERGENCY BILL

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2001 Regular Session
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By: **Senators Jimeno, Astle, DeGrange, and Neall**
Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Economic Development Corporation**

3 FOR the purpose of clarifying and altering the legislative purposes and legislative
4 intent relating to the Maryland Economic Development Corporation; clarifying
5 the ability of the Corporation to make certain loans to certain persons for certain
6 purposes; clarifying the ability of the Corporation to create, own, control, or be a
7 member of, certain persons; authorizing the Corporation to place the proceeds of
8 certain bonds in escrow under certain circumstances; expanding the power of
9 the Corporation and certain persons to make certain investments; declaring the
10 effect of certain findings by the Corporation's board of directors; altering certain
11 definitions; making stylistic and technical changes; making this Act an
12 emergency measure; and generally relating to the Maryland Economic
13 Development Corporation.

14 BY repealing and reenacting, with amendments,
15 Article 83A - Department of Business and Economic Development
16 Section 5-201, 5-202, 5-205, 5-206, and 5-212(a)
17 Annotated Code of Maryland
18 (1998 Replacement Volume and 2000 Supplement)

19 BY adding to
20 Article 83A - Department of Business and Economic Development
21 Section 5-215
22 Annotated Code of Maryland
23 (1998 Replacement Volume and 2000 Supplement)

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

26 **Article 83A - Department of Business and Economic Development**

27 5-201.

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

1 (b) "Bonds" means all bonds and notes of the Corporation, including bond
2 anticipation notes, revenue anticipation notes, grant anticipation notes, refunding
3 bonds, notes in the nature of commercial paper, or other evidences of indebtedness of
4 the Corporation, whether general or limited obligations of the Corporation issued
5 under this subtitle.

6 (c) "Corporation" means the Maryland Economic Development Corporation.

7 (d) "Cost" shall include the purchase price of any project or the cost of
8 acquiring all or any portion of the right, title, or interest of a project and the amount
9 to be paid to discharge all obligations necessary or desirable to vest title to the project
10 or any part of it in the Corporation or other owner; the cost of any reconstruction,
11 extension, enlargement, alteration, repair, or improvement; the cost of all lands,
12 properties, rights, easements, franchises, and permits; the cost of all labor,
13 machinery, and equipment; financing charges; interest before and during construction
14 and, if deemed desirable by the Corporation, for a limited period after the completion
15 of construction; reserves for principal and interest and for extensions, enlargements,
16 additions, and improvements; the cost of revenue estimates, engineering, and legal
17 services, plans, designs, specifications, surveys, investigations, demonstrations,
18 studies, estimates of cost, other expenses necessary or incident to determining the
19 feasibility or practicability of any such acquisition, improvement, repair, or
20 construction; administrative expenses, and other expenses as necessary or incident to
21 project financings, and to the acquisition, operation, maintenance, improvement, and
22 construction of a project and the placing of the same in operation by the Corporation
23 or other owner, including reasonable provision for working capital.

24 (e) "Includes or including" means includes or including by way of illustration
25 and not by way of limitation.

26 (f) (1) "Person" means any natural person, corporation, firm, partnership,
27 COMPANY, LIMITED LIABILITY COMPANY, cooperative, political subdivision, or other
28 entity, WHETHER OPERATING FOR PROFIT OR NOT FOR PROFIT.

29 (2) "PERSON" INCLUDES A PERSON CREATED, OWNED, OR CONTROLLED
30 BY THE CORPORATION OR A PERSON OF WHICH THE CORPORATION IS A MEMBER.

31 (g) "Political subdivision" means any county, municipal corporation, State or
32 local agency, or other public body or agency created or established under State or local
33 law.

34 (h) (1) "Project" means [the establishment of economic activity on properties
35 conveyed to the Corporation under § 5-213 of this subtitle and includes those
36 facilities and properties used or useful in connection with manufacturing, retail,
37 trade, service industries, supply, wholesaling, warehousing, or any other industrial,
38 commercial, or business purposes, including any combination of these activities,
39 whether for profit or not for profit, and whether or not any facilities are located on a
40 single site] A PROJECT, THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,
41 EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, OR
42 REMODELING OF WHICH THE BOARD OF DIRECTORS OF THE CORPORATION, IN ITS

1 SOLE AND ABSOLUTE DISCRETION, FINDS AND DETERMINES BY RESOLUTION WILL
2 ACCOMPLISH AT LEAST ONE OF THE LEGISLATIVE PURPOSES UNDER § 5-202(B) OF
3 THIS SUBTITLE, WHETHER THE PROJECT, OR ANY INTEREST IN THE PROJECT:

4 (I) ARE OR WILL BE USED OR OPERATED FOR PROFIT OR NOT FOR
5 PROFIT;

6 (II) ARE OR WILL BE LOCATED ON A SINGLE SITE OR MULTIPLE
7 SITES; OR

8 (III) MAY BE FINANCED BY BONDS, THE INTEREST ON WHICH IS
9 EXEMPT FROM FEDERAL INCOME TAXATION UNDER FEDERAL LAW.

10 (2) [The term "project"] "PROJECT" includes:

11 (I) [land] LAND OR ANY INTEREST IN LAND[.];

12 (II) [buildings] BUILDINGS, structures, machinery, equipment,
13 furnishings, rail or motor vehicles, barges, AND boats [, and];

14 (III) [all real] REAL or personal [properties] PROPERTY, OR ANY
15 COMBINATION OF THEM, and rights [therein] RELATED TO THE PROPERTY, [and]
16 appurtenances, rights-of-way, franchises, easements, and other interests in land[.];

17 (IV) [all land] LAND and facilities which are functionally related
18 and subordinate to the project; and

19 (V) [all patents] PATENTS, licenses, and other rights necessary or
20 useful in the construction or operation of a project. [It also includes any facilities and
21 properties within the definition of "project" set forth in this section, whether or not
22 such facilities or properties can be financed by bonds the interest on which is tax
23 exempt under the Internal Revenue Code.]

24 (i) "Revenues" includes all income, revenues, and other moneys received by
25 the Corporation from or in connection with any project, including grants, rentals,
26 rates, fees, charges for the use of the services furnished or available, and all other
27 income inuring to the Corporation; provided that the Corporation may further define
28 or limit the term "revenues" as applied to a particular project, financing, or other
29 matter.

30 5-202.

31 (a) The General Assembly declares and finds that Maryland's economy
32 continues to experience technological change and restructuring. The General
33 Assembly recognizes that, while technological change sometimes results in economic
34 contraction and dislocation, it also affords opportunities to expand productive
35 employment and expand the State's economy and tax base.

36 (b) (1) THE GENERAL ASSEMBLY DECLARES THAT THE LEGISLATIVE
37 PURPOSES OF THE CORPORATION ARE TO:

1 (I) RELIEVE CONDITIONS OF UNEMPLOYMENT IN THE STATE;

2 (II) ENCOURAGE THE INCREASE OF BUSINESS ACTIVITY AND
3 COMMERCE AND A BALANCED ECONOMY IN THE STATE;

4 (III) ASSIST IN THE RETENTION OF EXISTING BUSINESS ACTIVITY
5 AND COMMERCE AND IN THE ATTRACTION OF NEW BUSINESS ACTIVITY IN THE
6 STATE;

7 (IV) PROMOTE ECONOMIC DEVELOPMENT; AND

8 (V) GENERALLY PROMOTE THE PRESENT AND PROSPECTIVE
9 HEALTH, HAPPINESS, SAFETY, RIGHT OF GAINFUL EMPLOYMENT, AND GENERAL
10 WELFARE OF THE RESIDENTS OF EACH OF THE COUNTIES AND MUNICIPALITIES OF
11 THE STATE.

12 (2) The General Assembly further declares and finds that the
13 establishment of a State public corporation to [develop certain vacant or
14 underutilized industrial sites and facilities as well as other economic resources in
15 which the private sector has not demonstrated serious and significant interest or
16 development capability would serve the public interest. It would] ACQUIRE,
17 CONSTRUCT, RECONSTRUCT, EQUIP, EXPAND, EXTEND, IMPROVE, REHABILITATE, OR
18 REMODEL PROJECTS WILL:

19 (I) SERVE THE PUBLIC INTEREST BY ACCOMPLISHING ONE OR
20 MORE OF THE CORPORATION'S LEGISLATIVE PURPOSES; AND

21 (II) [complement] COMPLEMENT existing State marketing
22 programs administered by the Department and through the Department's financial
23 assistance programs such as those of the Maryland Industrial Development
24 Financing Authority [, the Maryland Industrial Land Act, and the Maryland
25 Industrial and Commercial Redevelopment Fund Act] AND THE MARYLAND
26 ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY.

27 (3) [The] IN ADDITION, THE General Assembly finds that the State lacks
28 and needs direct property development capability for economic development purposes.

29 (c) The General Assembly intends that:

30 (1) [the Maryland Economic Development] THE Corporation operate
31 AND EXERCISE ITS CORPORATE POWERS in ALL areas of the State [experiencing
32 significant economic dislocation or distress and];

33 (2) WITHOUT LIMITING ITS AUTHORITY TO OTHERWISE EXERCISE ITS
34 CORPORATE POWERS, [that it] THE CORPORATION exercise its corporate powers to
35 assist State and local economic development agencies to contribute in the expansion,
36 modernization, and retention of existing Maryland enterprises as well as the
37 attraction of new business to the State[. In furtherance of the purposes of this
38 subtitle, it is also intended that the Corporation structure its projects in a manner

1 which accelerates the transfer of facilities and sites into productive use in the private
2 sector and];

3 (3) THE CORPORATION cooperate with private industry councils,
4 representatives of labor, and local governments in maximizing new economic
5 opportunities for the citizens of this State[.]; AND

6 (4) THE CORPORATION ACCOMPLISH AT LEAST ONE OF THE
7 LEGISLATIVE PURPOSES OF THIS SUBTITLE BY:

8 (I) OWNING PROJECTS;

9 (II) OWNING AND LEASING PROJECTS TO ONE OR MORE PERSONS;
10 OR

11 (III) LENDING THE PROCEEDS OF BONDS TO ONE OR MORE
12 PERSONS TO FINANCE OR REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING,
13 RECONSTRUCTING, EQUIPPING, EXPANDING, EXTENDING, IMPROVING,
14 REHABILITATING, OR REMODELING PROJECTS OWNED OR TO BE OWNED BY THE
15 PERSON OR PERSONS OR ANY COMBINATION OF THEM.

16 5-205.

17 The Corporation may:

18 (1) Adopt bylaws for the regulation of its affairs and the conduct of its
19 business;

20 (2) Adopt an official seal and alter it at pleasure;

21 (3) Maintain offices at a place within the State that it designates;

22 (4) Apply for and accept any loans, grants, or assistance of any character
23 from the federal government, State government, or local governments, or any private
24 sources;

25 (5) Make, execute, and enter into any contracts or other legal
26 instruments;

27 (6) Sue and be sued in its own name;

28 (7) Acquire, construct, develop, manage, market, reconstruct,
29 rehabilitate, improve, maintain, equip, lease as lessor or as lessee, repair, and operate
30 any project within the State of Maryland;

31 (8) Acquire, purchase, hold, lease as lessee, and use any franchise,
32 patent, or license and any property whether real, personal, mixed, or tangible or
33 intangible, or any interest in such property, necessary or convenient for carrying out
34 the purposes of the Corporation;

1 (9) Sell, lease as lessor, transfer, and dispose of any property or interest
2 in it at any time acquired by it;

3 (10) Acquire, either directly or by or through any person or political
4 subdivision, by purchase or by gift or devise any lands, structures, property, whether
5 real or personal, rights, rights-of-way, franchises, easements, and other interests in
6 lands, including lands lying under water and riparian rights which are located within
7 or without the State that it deems necessary or convenient for the construction,
8 improvement, rehabilitation, or operation of a project, upon any terms and at any
9 prices that it considers to be reasonable;

10 (11) Acquire real property or rights or easements in it by condemnation
11 for projects in accordance with all laws applicable to the condemnation of property for
12 public use; however, in exercising the power of eminent domain for any project, the
13 action shall be approved by resolution of the legislative body of each political
14 subdivision in which the property to be taken is located by at least a 2/3 majority;

15 (12) Borrow money and issue bonds for the purpose of financing or
16 refinancing all or any part of the cost of any 1 or more projects or for any other
17 corporate purpose of the Corporation; secure the payment of such borrowing or any
18 part by pledge of or mortgage or deed of trust on all or any part of its properties or
19 revenues; combine projects for financing, make agreements with or for the benefit of
20 the purchasers or holders of bonds or with others in connection with the issuance of
21 any bonds, whether issued or to be issued, that the Corporation deems advisable; and
22 otherwise provide for the security of such bonds and the rights of the holders of them;

23 (13) Fix, revise from time to time, and collect rates, rentals, fees, and
24 charges for the use of or for services and facilities provided or made available by the
25 Corporation;

26 (14) Enter with the permission of the owner upon lands, waters, or
27 premises for the purpose of making surveys, soundings, borings, and examinations to
28 accomplish any purpose authorized by this subtitle;

29 (15) MAKE LOANS TO A PERSON OR PERSONS:

30 (I) FOR THE PURPOSE OF FINANCING OR REFINANCING, IN WHOLE
31 OR IN PART, THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING,
32 EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF A
33 PROJECT FOR THE PURPOSE OF REFINANCING A PROJECT; AND

34 (II) TO REFUND OUTSTANDING BONDS, MORTGAGES, ADVANCES,
35 LOANS, OR OTHER OBLIGATIONS MADE OR GIVEN BY THE PERSON OR PERSONS FOR
36 THE PURPOSE OF FINANCING OR REFINANCING, IN WHOLE OR IN PART, THE
37 ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING, EXPANSION,
38 EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF A PROJECT;

39 (16) CREATE, OWN, CONTROL, OR BE A MEMBER OF, A CORPORATION,
40 LIMITED LIABILITY COMPANY, PARTNERSHIP OR OTHER PERSON, WHETHER
41 OPERATED FOR PROFIT OR NOT FOR PROFIT;

1 [(15)] (17) Exercise any power usually possessed by private corporations in
2 performing similar functions, which is not in conflict with the Constitution and the
3 laws of this State; and

4 [(16)] (18) Do all things necessary and convenient to carry out the powers
5 expressly granted by this subtitle.

6 5-206.

7 (a) The Corporation may provide by resolution for the issuance at 1 time, or in
8 series from time to time, revenue bonds of the Corporation for the purpose of
9 financing or refinancing all or a part of the costs of a project, and for all other lawful
10 corporate purposes of the Corporation set out in this subtitle.

11 (b) The bonds shall be dated, shall bear interest at a rate or rates, and shall
12 mature at such time or times not exceeding 40 years from the date or dates of their
13 respective issues, as may be determined by the Corporation, and may be sold at the
14 price or prices and under the terms and conditions fixed by the Corporation before the
15 issuance of the bonds. The principal of and the interest on the bonds may be made
16 payable in any lawful medium. THE PROCEEDS OF ANY BONDS MAY BE PLACED IN
17 ESCROW PENDING APPLICATION OF THE PROCEEDS TO THE PURPOSES FOR WHICH
18 THE BONDS ARE ISSUED.

19 (c) The bonds shall not be deemed to constitute a debt, liability, or a pledge of
20 the full faith and credit of the State of Maryland or of any political subdivision thereof
21 other than the Corporation, but such bonds shall be payable solely from the funds
22 herein provided. All bonds of the Corporation shall contain on their face a statement
23 to the effect that neither the State of Maryland nor any political subdivision thereof
24 other than the Corporation shall be obligated to pay the same or the interest on them
25 except from revenues pledged to them and that neither the full faith and credit nor
26 the taxing power of the State or any political subdivision thereof is pledged to the
27 payment of the principal of or the interest on the bonds. The issuance of bonds under
28 this subtitle is not directly or indirectly or contingently an obligation, moral or other,
29 of the State of Maryland or any political subdivision thereof to levy or pledge any form
30 of taxation whatever therefor or to make any appropriation for their payment.
31 Nothing in this section shall prevent the Corporation from pledging its full faith and
32 credit to the payment of bonds authorized under this subtitle. However, this section
33 does not limit the ability of the State or a subdivision to set, impose, or collect an
34 assessment, rate, fee, or charge to pay to the Corporation the cost of a project,
35 including the principal of and interest on a bond, under an agreement between the
36 Corporation and the State or political subdivision.

37 (d) The Corporation shall determine the form of the bonds, the manner of
38 executing the bonds, the denomination or denominations of the bonds, and the place
39 or places of payment of principal and interest which may be a bank or trust company
40 within or outside of the State.

41 (e) The bonds shall be executed in the manner determined by the Corporation.
42 If any officer whose signature or facsimile thereof appears on any bond ceases to be

1 such officer before the delivery of the bonds, the signature or facsimile thereof shall
2 nevertheless be valid and sufficient for all purposes the same as if the officer had
3 remained in office until the delivery.

4 (f) All bonds issued under the provisions of this section have and are hereby
5 declared to have, as between successive holders, all the qualities and incidents of
6 negotiable instruments under the Negotiable Instruments Law of the Uniform
7 Commercial Code of this State. Provisions may be made for the registration of bonds.

8 (g) The bonds shall be sold by the Corporation, at public or private sale, in
9 such manner and for such price as it may determine to be for its best interests. None
10 of the provisions of §§ 8-206 and 8-208 of the State Finance and Procurement Article
11 have any application to the bonds hereby authorized and the bonds are explicitly
12 exempted from those provisions.

13 (h) (1) The Corporation may provide for the issuance of its bonds for the
14 purpose of refunding any [of its] bonds then outstanding, including the payment of
15 any redemption premium thereon and any interest accrued or to accrue to the earliest
16 or any subsequent date of redemption, purchase, or maturity of [its] THE bonds, and,
17 if deemed advisable by the Corporation, for the additional purpose of paying all or any
18 part of the cost of a project. Refunding bonds may be issued by the Corporation for
19 any corporate purpose, including the public purposes of realizing savings in the
20 effective costs of debt service, directly or through a debt restructuring, or alleviating
21 an impending or actual default or relieving the Corporation of contractual agreements
22 which, in the opinion of the Corporation, have become unreasonably onerous or
23 impracticable or impossible to perform. Refunding bonds in 1 or more series may be
24 issued in an amount in excess of that of the bonds to be refunded. Without limiting
25 the extent or nature of any sources of payment provided by the Corporation,
26 refunding bonds may be made payable from escrowed bond proceeds and from
27 interest, income, and profits, if any, on investments. Such sources may be so applied
28 in addition to other lawful uses and shall constitute revenues of a project under this
29 subtitle.

30 (2) The proceeds of bonds issued for the purpose of refunding
31 outstanding bonds may, in the discretion of the Corporation, be applied to the
32 purchase or retirement at maturity or redemption of such outstanding bonds either
33 on their earliest or any subsequent redemption date, and may, pending such
34 application, be placed in escrow to be applied to such purchase or retirement at
35 maturity or redemption on such date as may be determined by the Corporation.

36 (3) (I) Any escrowed bond proceeds, pending such use, may be invested
37 and reinvested in [obligations of or guaranteed by the United States of America, or in
38 certificates of deposit or time deposits secured by obligations of or guaranteed by the
39 United States of America,] INVESTMENTS AND OTHER OBLIGATIONS maturing at
40 such time or times as shall be appropriate to assure the prompt payment, as to
41 principal, interest, and redemption premium, if any, of the outstanding bonds to be so
42 refunded.

43 (II) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

1 1. DETERMINED BY THE CORPORATION; OR

2 2. IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY
3 THE CORPORATION TO A PERSON PURSUANT TO SUBSECTION (K) OF THIS SECTION,
4 DETERMINED BY THE PERSON.

5 (III) The interest, income, and profits, if any, earned or realized on
6 any [such investment] THE INVESTMENTS OR OTHER OBLIGATIONS may also be
7 applied to the payment of the outstanding bonds to be so refunded.

8 (IV) After the terms of the escrow have been fully satisfied and
9 carried out, any balance of [such] THE proceeds and interest, income, and profits, if
10 any, earned or realized on [the investments thereof] THE INVESTMENTS OR OTHER
11 OBLIGATIONS may be returned to the Corporation OR THE PERSON BEING LOANED
12 THE PROCEEDS OF THE BONDS for use [by it] in any lawful manner.

13 [(4)] (I) (1) The portion of the proceeds of any [of its] bonds issued for
14 the [additional] purpose of paying all or any part of the cost of a project may be
15 invested and reinvested in [obligations of or guaranteed by the United States of
16 America, or in certificates of deposit or time deposits secured by obligations of or
17 guaranteed by the United States of America, maturing] INVESTMENTS AND ANY
18 OTHER OBLIGATIONS MATURING not later than the time or times when such proceeds
19 will be needed for the purpose of paying all or any part of such cost.

20 (2) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

21 (I) DETERMINED BY THE CORPORATION; OR

22 (II) IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY THE
23 CORPORATION TO A PERSON PURSUANT TO SUBSECTION (K) OF THIS SECTION,
24 DETERMINED BY THE PERSON.

25 (3) The interest, income, and profits, if any, earned or realized on [such
26 investment] THE INVESTMENTS OR OTHER OBLIGATIONS may be applied to the
27 payment of all or any part of [such] THE cost or may be used by the Corporation OR
28 THE PERSON BEING LOANED THE PROCEEDS OF THE BONDS in any lawful manner.

29 [(i)] (J) The Corporation may pledge or assign all or any portion of its
30 revenues, its rights to receive them, or moneys and securities in the funds and
31 accounts established to secure its bonds and any lien or security interest granted or
32 assignment made by the Corporation. Any pledge or assignment shall be valid and
33 binding against any person having a claim of any kind against the Corporation, in
34 contract, tort, or otherwise, irrespective of whether the person has notice and shall be
35 prior to such claim. No resolution, trust indenture, assignment, financing agreement,
36 or other instrument creating a lien on, security interest in, or assignment of any
37 revenues, its rights to receive revenues or moneys and securities in the funds and
38 accounts pledged to bonds of the Corporation need be filed or recorded except in the
39 records of the Corporation.

1 [(j)] (K) The Corporation may lend or otherwise make available the proceeds
2 of its bonds to any person in order to finance or refinance the costs of any project, and
3 may enter into such financing agreements, mortgages, and other instruments as it
4 may determine to be necessary or desirable to evidence or secure such loan. If any
5 project is leased to any person, the lease may provide that upon the payment of the
6 bonds that financed or refinanced the cost of the project and interest thereon (or
7 provision for such payment satisfactory to the Corporation), the lessee or another
8 person may or shall purchase or otherwise acquire the project for such consideration,
9 which may be nominal, as may be established by the Corporation.

10 [(k)] (L) (1) At the discretion of the Corporation, the bonds may be secured
11 by a trust indenture by and between the Corporation and corporate trustee, which
12 may be any trust company or bank having the powers of a trust company within or
13 outside of the State. Either the resolution providing for the issuance of bonds or the
14 trust indenture may contain provisions for protecting and enforcing the rights and
15 remedies of the bondholders, including covenants setting forth the duties of the
16 Corporation in relation to the custody, safeguarding, and application of all moneys. It
17 shall be lawful for any corporation or trust company incorporated under the laws of
18 this State to act as depository of the proceeds of the bonds or revenues and to furnish
19 any indemnity bonds or to pledge any securities that the Corporation requires.

20 (2) The resolution or trust indenture may set forth the rights and
21 remedies of the bondholders and of any trustee, and may restrict the individual right
22 of action of bondholders. The Corporation may provide by resolution or by the trust
23 indenture for the payment of the proceeds of the sale of the bonds and the revenues of
24 the Corporation to such officer, board, or depository as it determines for their custody
25 and for the method of disbursement, with such safeguards and restrictions as it
26 determines. All expenses incurred in carrying out any trust indenture may be treated
27 as a part of the cost of operation of the Corporation.

28 5-212.

29 (a) The Corporation may provide for the creation, continuation, and
30 administration of any funds it may require. Money in these funds and other money of
31 the Corporation shall be deposited, as directed by the Corporation, in any State or
32 national bank, or federally or State insured savings and loan associations [located in
33 the State] having a total paid-in capital of at least \$1,000,000. The trust department
34 of any State or national bank or savings and loan association may be designated as a
35 depository to receive any securities acquired or owned by the Corporation.

36 5-215.

37 IN A SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR
38 ENFORCEABILITY OF AN AGREEMENT ENTERED INTO BY THE CORPORATION UNDER
39 THIS SUBTITLE, OR OF BONDS ISSUED BY THE CORPORATION, OR ANY SECURITY
40 RELATING TO THE BONDS, A FINDING BY THE CORPORATION'S BOARD OF DIRECTORS
41 CONCERNING THE PUBLIC PURPOSE OF AN ACTION TAKEN UNDER THIS SUBTITLE
42 AND THE APPROPRIATENESS OF THE ACTION TO SERVE THE PUBLIC PURPOSE SHALL
43 BE CONCLUSIVE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
2 measure, is necessary for the immediate preservation of the public health and safety,
3 has been passed by a yea and nay vote supported by three-fifths of all the members
4 elected to each of the two Houses of the General Assembly, and shall take effect from
5 the date it is enacted.