

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2001

CHAPTER _____

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)

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

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

4 5-201.

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

6 (b) "Bonds" means all bonds and notes of the Corporation, including bond
7 anticipation notes, revenue anticipation notes, grant anticipation notes, refunding
8 bonds, notes in the nature of commercial paper, or other evidences of indebtedness of
9 the Corporation, whether general or limited obligations of the Corporation issued
10 under this subtitle.

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

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

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

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

34 (2) "PERSON" INCLUDES A PERSON ANY ENTITY DESCRIBED IN
35 PARAGRAPH (1) OF THIS SUBSECTION THAT IS CREATED, OWNED, OR CONTROLLED
36 BY THE CORPORATION OR A PERSON ANY ENTITY DESCRIBED IN PARAGRAPH (1) OF
37 THIS SUBSECTION OF WHICH THE CORPORATION IS A MEMBER.

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

1 (h) (1) "Project" means [the establishment of economic activity on properties
 2 conveyed to the Corporation under § 5-213 of this subtitle and includes those
 3 facilities and properties used or useful in connection with manufacturing, retail,
 4 trade, service industries, supply, wholesaling, warehousing, or any other industrial,
 5 commercial, or business purposes, including any combination of these activities,
 6 whether for profit or not for profit, and whether or not any facilities are located on a
 7 single site] ~~A PROJECT, EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS~~
 8 SUBSECTION, THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING,
 9 EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF
 10 WHICH PROPERTY THAT THE BOARD OF DIRECTORS OF THE CORPORATION, IN ITS
 11 SOLE AND ABSOLUTE DISCRETION, FINDS AND DETERMINES BY RESOLUTION WILL
 12 ACCOMPLISH AT LEAST ONE OF THE LEGISLATIVE PURPOSES UNDER LISTED IN §
 13 5-202(B) OF THIS SUBTITLE, WHETHER THE PROJECT PROPERTY, OR ANY INTEREST
 14 IN THE PROJECT PROPERTY:

15 (I) ~~ARE IS~~ OR WILL BE USED OR OPERATED FOR PROFIT OR NOT
 16 FOR PROFIT;

17 (II) ~~ARE IS~~ OR WILL BE LOCATED ON A SINGLE SITE OR MULTIPLE
 18 SITES; OR

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

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

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

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

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

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

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

35 (3) "PROJECT" DOES NOT INCLUDE THE ACQUISITION, CONSTRUCTION,
 36 RECONSTRUCTION, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT,
 37 REHABILITATION, OR REMODELING OF PROPERTY:

38 (I) THAT IS ELIGIBLE TO BE FINANCED UNDER ARTICLE 43C OF
 39 THE CODE; AND

1 (II) FOR WHICH ANY BONDS ISSUED TO FINANCE THE PROPERTY
2 ARE PAYABLE OR GUARANTEED, DIRECTLY OR INDIRECTLY, BY A "HOSPITAL",
3 "INSTITUTION FOR HIGHER EDUCATION", OR "NONCOLLEGIATE EDUCATIONAL
4 INSTITUTION" AS THESE TERMS ARE DEFINED UNDER ARTICLE 43C, § 3 OF THE CODE.

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

11 5-202.

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

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

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

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

22 (III) ASSIST IN THE RETENTION OF EXISTING BUSINESS ACTIVITY
23 AND COMMERCE AND IN THE ATTRACTION OF NEW BUSINESS ACTIVITY IN THE
24 STATE;

25 (IV) PROMOTE ECONOMIC DEVELOPMENT; AND

26 (V) GENERALLY PROMOTE THE PRESENT AND PROSPECTIVE
27 HEALTH, HAPPINESS, SAFETY, RIGHT OF GAINFUL EMPLOYMENT, AND GENERAL
28 WELFARE OF THE RESIDENTS OF EACH OF THE COUNTIES AND MUNICIPALITIES OF
29 THE STATE.

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

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

1 (II) [complement] COMPLEMENT existing State marketing
 2 programs administered by the Department and through the Department's financial
 3 assistance programs such as those of the Maryland Industrial Development
 4 Financing Authority [, the Maryland Industrial Land Act, and the Maryland
 5 Industrial and Commercial Redevelopment Fund Act] AND THE MARYLAND
 6 ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY.

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

9 (c) The General Assembly intends that:

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

13 (2) WITHOUT LIMITING ITS AUTHORITY TO OTHERWISE EXERCISE ITS
 14 CORPORATE POWERS, [that it] THE CORPORATION exercise its corporate powers to
 15 assist ~~POLITICAL SUBDIVISIONS AND~~ State and local economic development agencies
 16 to contribute in the expansion, modernization, and retention of existing Maryland
 17 enterprises as well as the attraction of new business to the State[. In furtherance of
 18 the purposes of this subtitle, it is also intended that the Corporation structure its
 19 projects in a manner which accelerates the transfer of facilities and sites into
 20 productive use in the private sector and];

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

24 (4) THE CORPORATION ACCOMPLISH AT LEAST ONE OF THE
 25 LEGISLATIVE PURPOSES LISTED IN SUBSECTION (B)(1) OF THIS SUBTITLE SECTION
 26 AND COMPLEMENT EXISTING STATE MARKETING AND FINANCIAL ASSISTANCE
 27 PROGRAMS BY:

28 (I) OWNING PROJECTS;

29 (II) OWNING AND LEASING PROJECTS TO ONE OR MORE PERSONS;
 30 OR

31 (III) LENDING THE PROCEEDS OF BONDS TO ONE OR MORE
 32 PERSONS TO FINANCE OR REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING,
 33 RECONSTRUCTING, EQUIPPING, EXPANDING, EXTENDING, IMPROVING,
 34 REHABILITATING, OR REMODELING PROJECTS OWNED OR TO BE OWNED BY THE
 35 PERSON OR PERSONS OR ANY COMBINATION OF THEM; AND

36 (5) THE CORPORATION NOT OWN AND OPERATE A PROJECT UNLESS:

37 (I) THE BOARD OF DIRECTORS OF THE CORPORATION FINDS AND
 38 DETERMINES BY RESOLUTION THAT THE PRIVATE SECTOR HAS NOT

1 DEMONSTRATED SERIOUS AND SIGNIFICANT INTEREST AND DEVELOPMENT
2 CAPACITY TO OWN AND OPERATE THE PROJECT; OR

3 (II) A REPRESENTATIVE OF A POLITICAL SUBDIVISION OR A
4 DESIGNATED AGENCY OR INSTRUMENTALITY OF THE POLITICAL SUBDIVISION HAS
5 REQUESTED IN WRITING THAT THE CORPORATION OWN AND OPERATE THE
6 PROJECT.

7 5-205.

8 The Corporation may:

- 9 (1) Adopt bylaws for the regulation of its affairs and the conduct of its
10 business;
- 11 (2) Adopt an official seal and alter it at pleasure;
- 12 (3) Maintain offices at a place within the State that it designates;
- 13 (4) Apply for and accept any loans, grants, or assistance of any character
14 from the federal government, State government, or local governments, or any private
15 sources;
- 16 (5) Make, execute, and enter into any contracts or other legal
17 instruments;
- 18 (6) Sue and be sued in its own name;
- 19 (7) Acquire, construct, develop, manage, market, reconstruct,
20 rehabilitate, improve, maintain, equip, lease as lessor or as lessee, repair, and operate
21 any project within the State of Maryland;
- 22 (8) Acquire, purchase, hold, lease as lessee, and use any franchise,
23 patent, or license and any property whether real, personal, mixed, or tangible or
24 intangible, or any interest in such property, necessary or convenient for carrying out
25 the purposes of the Corporation;
- 26 (9) Sell, lease as lessor, transfer, and dispose of any property or interest
27 in it at any time acquired by it;
- 28 (10) Acquire, either directly or by or through any person or political
29 subdivision, by purchase or by gift or devise any lands, structures, property, whether
30 real or personal, rights, rights-of-way, franchises, easements, and other interests in
31 lands, including lands lying under water and riparian rights which are located within
32 or without the State that it deems necessary or convenient for the construction,
33 improvement, rehabilitation, or operation of a project, upon any terms and at any
34 prices that it considers to be reasonable;
- 35 (11) Acquire real property or rights or easements in it by condemnation
36 for projects in accordance with all laws applicable to the condemnation of property for

1 public use; however, in exercising the power of eminent domain for any project, the
2 action shall be approved by resolution of the legislative body of each political
3 subdivision in which the property to be taken is located by at least a 2/3 majority;

4 (12) Borrow money and issue bonds for the purpose of financing or
5 refinancing all or any part of the cost of any 1 or more projects or for any other
6 corporate purpose of the Corporation; secure the payment of such borrowing or any
7 part by pledge of or mortgage or deed of trust on all or any part of its properties or
8 revenues; combine projects for financing, make agreements with or for the benefit of
9 the purchasers or holders of bonds or with others in connection with the issuance of
10 any bonds, whether issued or to be issued, that the Corporation deems advisable; and
11 otherwise provide for the security of such bonds and the rights of the holders of them;

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

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

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

19 (I) FOR THE PURPOSE OF FINANCING OR REFINANCING, IN WHOLE
20 OR IN PART, THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING,
21 EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF A
22 PROJECT ~~FOR THE PURPOSE OF REFINANCING A PROJECT~~; AND

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

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

31 [(15)] (17) Exercise any power usually possessed by private corporations in
32 performing similar functions, which is not in conflict with the Constitution and the
33 laws of this State; and

34 [(16)] (18) Do all things necessary and convenient to carry out the powers
35 expressly granted by this subtitle.

36 5-206.

37 (a) The Corporation may provide by resolution for the issuance at 1 time, or in
38 series from time to time, revenue bonds of the Corporation for the purpose of

1 financing or refinancing all or a part of the costs of a project, and for all other lawful
2 corporate purposes of the Corporation set out in this subtitle.

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

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

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

33 (e) The bonds shall be executed in the manner determined by the Corporation.
34 If any officer whose signature or facsimile thereof appears on any bond ceases to be
35 such officer before the delivery of the bonds, the signature or facsimile thereof shall
36 nevertheless be valid and sufficient for all purposes the same as if the officer had
37 remained in office until the delivery.

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

42 (g) The bonds shall be sold by the Corporation, at public or private sale, in
43 such manner and for such price as it may determine to be for its best interests. None

1 of the provisions of §§ 8-206 and 8-208 of the State Finance and Procurement Article
2 have any application to the bonds hereby authorized and the bonds are explicitly
3 exempted from those provisions.

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

21 (2) The proceeds of bonds issued for the purpose of refunding
22 outstanding bonds may, in the discretion of the Corporation, be applied to the
23 purchase or retirement at maturity or redemption of such outstanding bonds either
24 on their earliest or any subsequent redemption date, and may, pending such
25 application, be placed in escrow to be applied to such purchase or retirement at
26 maturity or redemption on such date as may be determined by the Corporation.

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

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

35 1. DETERMINED BY THE CORPORATION; OR

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

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

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

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

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

14 (I) DETERMINED BY THE CORPORATION; OR

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

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

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

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

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

11 (2) The resolution or trust indenture may set forth the rights and
12 remedies of the bondholders and of any trustee, and may restrict the individual right
13 of action of bondholders. The Corporation may provide by resolution or by the trust
14 indenture for the payment of the proceeds of the sale of the bonds and the revenues of
15 the Corporation to such officer, board, or depository as it determines for their custody
16 and for the method of disbursement, with such safeguards and restrictions as it
17 determines. All expenses incurred in carrying out any trust indenture may be treated
18 as a part of the cost of operation of the Corporation.

19 5-212.

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

27 5-215.

28 IN A SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR
29 ENFORCEABILITY OF AN AGREEMENT ENTERED INTO BY THE CORPORATION UNDER
30 THIS SUBTITLE, OR OF BONDS ISSUED BY THE CORPORATION, OR ANY SECURITY
31 RELATING TO THE BONDS, A FINDING BY THE CORPORATION'S BOARD OF DIRECTORS
32 CONCERNING THE PUBLIC PURPOSE OF AN ACTION TAKEN OR THE LEGISLATIVE
33 INTENT EXPRESSED UNDER THIS SUBTITLE AND THE APPROPRIATENESS OF THE
34 ACTION ~~TO SERVE~~ IN SERVING THE PUBLIC PURPOSE AND SATISFYING THE
35 LEGISLATIVE INTENT EXPRESSED UNDER THIS SUBTITLE SHALL BE CONCLUSIVE.

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

