

HOUSE BILL 8

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2004 Regular Session  
4r0974

(PRE-FILED)

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By: **Delegates Conway, Mitchell, Bozman, and Elmore**

Requested: November 14, 2003

Introduced and read first time: January 14, 2004

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 20, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Higher Education - Community Colleges - Authority to Incur Debt**

3 FOR the purpose of authorizing the boards of community college trustees for  
4 Hagerstown Community College, ~~Harford Community College~~, and Wor-Wic  
5 Community College to borrow money for certain purposes and to secure certain  
6 debt in a certain manner; correcting an obsolete reference; and generally  
7 relating to the authority of community colleges to incur debt.

8 BY repealing and reenacting, with amendments,  
9 Article - Education  
10 Section 16-302  
11 Annotated Code of Maryland  
12 (2001 Replacement Volume and 2003 Supplement)

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

15 **Article - Education**

16 16-302.

17 (a) Notwithstanding any other provisions of this subtitle, and subject to funds  
18 being appropriated, the Board of Community College Trustees for Allegany County,  
19 Anne Arundel County, Baltimore County, Carroll County, Cecil County, [Charles  
20 County] THE COLLEGE OF SOUTHERN MARYLAND, Chesapeake College, Frederick  
21 County, Garrett County, HAGERSTOWN COMMUNITY COLLEGE, ~~HARFORD COUNTY~~,  
22 Howard County, Montgomery County, [or] Prince George's County, OR WOR-WIC

1 COMMUNITY COLLEGE may borrow money to acquire an interest in personal property,  
2 including fixtures, for the operation of the community college, on terms and  
3 conditions that the Board of Trustees considers proper.

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

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

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

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

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

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

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

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

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2004.