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By: **Prince George's County Delegation**  
Introduced and read first time: February 4, 2004  
Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Education - Prince George's County Board of Education - Bonding**  
3                                   **Authority**  
4                                   **PG 407-04**

5 FOR the purpose of authorizing the Prince George's County Board of Education to  
6 issue bonds for the acquisition, development, or improvement of public school  
7 facilities in the Prince George's County school system; establishing the rights  
8 and duties associated with the bonding authority; requiring passage of a certain  
9 resolution by the County Executive and County Council of Prince George's  
10 County before a bond may be issued; providing for the effective date of certain  
11 provisions of this Act; providing for a delayed effective date for certain  
12 provisions of this Act; providing for the termination of certain provisions of this  
13 Act on a certain date; providing for the construction and severability of certain  
14 provisions of this Act; and generally relating to the Prince George's County  
15 school system.

16 BY repealing and reenacting, with amendments,  
17 Article - Education  
18 Section 4-401  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2003 Supplement)

21 BY adding to  
22 Article - Education  
23 Section 3-1009 through 3-1009.6 and 4-412 through 4-412.5  
24 Annotated Code of Maryland  
25 (2001 Replacement Volume and 2003 Supplement)

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

1 **Article - Education**

2 4-401.

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

4 (b) "Advisory Board" means the Parent and Community Advisory Board.

5 (c) "Board" means the New Prince George's County Board of Education.

6 (D) "BONDS" MEANS REVENUE BONDS, REFUNDING BONDS, CERTIFICATES,  
7 NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER EVIDENCE OF INDEBTEDNESS,  
8 AND, WHERE APPLICABLE, ANTICIPATION NOTES.9 (E) "CHIEF EXECUTIVE OFFICER" MEANS THE CHIEF EXECUTIVE OFFICER OF  
10 THE NEW PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.11 (F) "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 PRACTICALITY OF CONSTRUCTION OF ANY  
23 PROJECT;24 (5) RESERVES FOR THE PAYMENT OF DEBT SERVICE, OPERATING  
25 RESERVES, AND REPAIR AND REPLACEMENT FUNDS; AND26 (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 (G) "PROJECT" MEANS THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,  
30 EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF ANY PUBLIC SCHOOL  
31 FACILITY.32 (H) "PUBLIC SCHOOL FACILITY" MEANS A BUILDING, PARKING FACILITY,  
33 ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN PRINCE GEORGE'S  
34 COUNTY, NOW EXISTING OR HEREAFTER ACQUIRED OR CONSTRUCTED, THAT IS  
35 USED BY THE BOARD IN RELATION TO THE EDUCATION OF STUDENTS IN THE PRINCE  
36 GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM.

1 4-412.

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 PRINCE GEORGE'S COUNTY, NOW  
5 EXISTING OR HEREAFTER ACQUIRED;

6 (2) ISSUE BONDS IN ACCORDANCE WITH THE PROCEDURES,  
7 REQUIREMENTS, AND LIMITATIONS APPLICABLE TO THE ISSUANCE OF BONDS BY  
8 THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS OF THE BALTIMORE CITY  
9 PUBLIC SCHOOL SYSTEM UNDER § 4-306.2 OF THIS TITLE;

10 (3) IN ACCORDANCE WITH STATE LAW, ACQUIRE, HOLD, AND DISPOSE  
11 OF REAL AND PERSONAL PROPERTY IN THE EXERCISE OF ITS POWERS AND THE  
12 PERFORMANCE OF ITS DUTIES UNDER THIS SUBTITLE;

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

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

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

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

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

31 4-412.1.

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

34 (B) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING,  
35 INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED FOR  
36 THE BONDS, MAY NOT EXCEED, AS OF THE DATE THE BONDS ARE ISSUED, \$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 COUNTY EXECUTIVE AND THE COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY  
7 SHALL PASS A RESOLUTION APPROVING THE BOARD'S ISSUANCE OF THE BOND AND  
8 SHALL FORWARD THAT RESOLUTION TO THE BOARD.

9 (E) THE RESOLUTION OF THE BOARD AUTHORIZING THE BONDS:

10 (1) SHALL DESCRIBE THE PROJECTS THAT ARE TO BE FINANCED OR  
11 REFINANCED BY THE BOND;

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

13 (3) SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE BONDS;

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

16 (5) MAY PROVIDE THAT THE BONDS ARE REDEEMABLE BEFORE  
17 MATURITY AT A PRICE OR PRICES AND UNDER TERMS AND CONDITIONS OR IN  
18 ACCORDANCE WITH A METHOD DETERMINED BY THE BOARD.

19 (F) THE RESOLUTION OF THE BOARD OR THE TRUST AGREEMENT RELATING  
20 TO THE BONDS MAY CONTAIN PROVISIONS THAT:

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

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

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

29 (4) PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE  
30 BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF  
31 THE LAW, INCLUDING COVENANTS REGARDING:

32 (I) THE DUTIES OF THE BOARD IN RELATION TO THE PROJECT;

33 (II) THE DUTIES OF THE BOARD IN RELATION TO ITS FUNDS;

34 (III) THE CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL  
35 MONEYS; AND

1 (IV) THE RIGHTS AND REMEDIES OF BONDHOLDERS AND  
2 TRUSTEES, INCLUDING RESTRICTIONS ON THE INDIVIDUAL RIGHT OF ACTION BY  
3 BONDHOLDERS; AND

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

7 (G) THE BONDS SHALL:

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

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

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

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

21 (5) BEAR THE MANUAL OR FACSIMILE SIGNATURE OF THE CHIEF  
22 EXECUTIVE OFFICER OR ONE OF THE OTHER MEMBERS OF THE BOARD, IN CASE ANY  
23 OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY BONDS OR  
24 COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE BONDS, THE  
25 SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND SUFFICIENT FOR  
26 ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL DELIVERY;

27 (6) BEAR THE OFFICIAL SEAL OF THE BOARD OR A FACSIMILE OF THE  
28 SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR FACSIMILE  
29 SIGNATURE OF THE SECRETARY OF THE BOARD;

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

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

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

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

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

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

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

11 (II) WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE OF  
12 ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT  
13 ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.

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

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

19 (L) THE BOARD MAY:

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

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

27 (M) (1) ANY BOND ISSUED UNDER THIS SUBTITLE SHALL STATE ON ITS FACE  
28 THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS OR  
29 OBLIGATION OF THE STATE, OF THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF  
30 PRINCE GEORGE'S COUNTY, OR OF ANY OTHER POLITICAL SUBDIVISION OF THE  
31 STATE, EXCEPT THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.

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

36 (N) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED  
37 SOLELY BY:

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

4 (2) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS  
5 THEREON;

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

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

10 (5) ANY MONEYS THAT MAY LAWFULLY BE APPLIED TO THE PAYMENT  
11 OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY APPROPRIATION BY THE  
12 STATE OR PRINCE GEORGE'S COUNTY MADE LAWFULLY AVAILABLE FOR SUCH  
13 PURPOSE; OR

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

16 (O) PRIOR TO AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER  
17 COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH  
18 BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF THE  
19 PROCEEDS OF THE BONDS OR OUT OF OTHER MONEYS ALLOCATED FOR THAT  
20 PURPOSE.

21 (P) (1) THE BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE ISSUANCE  
22 AND SALE OF BOND ANTICIPATION NOTES IN ACCORDANCE WITH THE PROCEDURES  
23 SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE ISSUANCE OF BONDS.

24 (2) EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD BE  
25 INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" AS USED IN THIS  
26 SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE  
27 PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE AND  
28 ITS POLITICAL SUBDIVISIONS.

29 (Q) IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE BOARD MAY:

30 (1) OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR BOND  
31 INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF CREDIT,  
32 OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY FOR ANY  
33 BONDS; AND

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

1 (R) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE  
2 COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST  
3 AGREEMENT FOR ANY BONDS.

4 (S) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF THE  
5 STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS MAY  
6 FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY THE  
7 BOARD.

8 (T) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A TRUST  
9 AGREEMENT IF IT SO STIPULATES.

10 (U) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF ANY  
11 TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF THE COST  
12 OF THE OPERATION OF THE BOARD.

13 (V) UPON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL  
14 WITHHOLD FROM ANY INSTALLMENT DUE THE BOARD FROM THE GENERAL STATE  
15 SCHOOL FUND MONEYS FOR DEPOSIT TO THE CREDIT OF A SINKING FUND  
16 MAINTAINED TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS. SUCH MONEYS  
17 SHALL BE WITHHELD UNTIL THE BONDS ARE NO LONGER OUTSTANDING AND  
18 UNPAID AND SHALL BE WITHHELD IN INSTALLMENTS. THE AMOUNT OF EACH  
19 INSTALLMENT SHALL BE DETERMINED AT THE TIME THE BONDS ARE ISSUED AND  
20 SHALL BE PROVIDED IN WRITING BY THE BOARD TO THE STATE COMPTROLLER,  
21 PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH INSTALLMENTS SHALL  
22 ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL AND INTEREST ON THE  
23 BONDS.

24 4-412.2.

25 (A) THE EXERCISE OF THE POWERS GRANTED BY THE PROVISIONS OF THIS  
26 SUBTITLE SHALL BE FOR THE BENEFIT OF THE STUDENTS WHO ATTEND THE PUBLIC  
27 SCHOOLS UNDER THE BOARD AND FOR THE IMPROVEMENT OF THEIR EDUCATION,  
28 PROSPERITY, HEALTH, LIVING CONDITIONS, AND GENERAL WELFARE.

29 (B) THE BOARD SHALL NOT BE REQUIRED TO PAY ANY TAXES OR  
30 ASSESSMENTS OF ANY KIND WHATSOEVER AND ITS BONDS, THEIR TRANSFER, THE  
31 INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING  
32 ANY PROFIT REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL  
33 TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE STATE OR BY ANY OF  
34 ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF  
35 ANY KIND.

36 4-412.3.

37 THE BONDS ARE INVESTMENT SECURITIES.

1 4-412.4.

2 THE TITLE TO ANY PROPERTY ACQUIRED OR CONSTRUCTED UNDER THE  
3 PROVISIONS OF THIS SUBTITLE SHALL BE HELD IN ACCORDANCE WITH STATE LAW.

4 4-412.5.

5 (A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE  
6 WELFARE OF PRINCE GEORGE'S COUNTY AND ITS INHABITANTS, SHALL BE  
7 LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THE PROVISIONS.

8 (B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE AND, IF ANY OF THE  
9 PROVISIONS SHALL BE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT  
10 JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF  
11 THE REMAINING PROVISIONS.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
13 read as follows:

14 **Article - Education**

15 3-1009.

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

18 (B) "BONDS" MEANS REVENUE BONDS, REFUNDING BONDS, CERTIFICATES,  
19 NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER EVIDENCE OF INDEBTEDNESS,  
20 AND, WHERE APPLICABLE, ANTICIPATION NOTES.

21 (C) "COSTS" AS APPLIED TO ANY PROJECT MEANS ALL COSTS OF THE  
22 PROJECT, INCLUDING:

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

25 (2) THE COST OF ACQUISITION OF ALL LAND, RIGHTS-OF-WAY,  
26 PROPERTY RIGHTS, EASEMENTS, AND INTERESTS ACQUIRED BY THE COUNTY  
27 BOARD;

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

30 (4) THE COST OF ARCHITECTURAL, ENGINEERING, AND LEGAL  
31 EXPENSES, PLANS, SPECIFICATIONS, FEASIBILITY STUDIES, SURVEYS, ESTIMATES OF  
32 COSTS AND REVENUE, AND OTHER EXPENSES NECESSARY OR DESIRABLE FOR  
33 DETERMINING THE FEASIBILITY OR PRACTICALITY OF CONSTRUCTION OF ANY  
34 PROJECT;

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

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

6 (D) "PROJECT" MEANS THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,  
7 EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF ANY PUBLIC SCHOOL  
8 FACILITY.

9 (E) "PUBLIC SCHOOL FACILITY" MEANS A BUILDING, PARKING FACILITY,  
10 ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN PRINCE GEORGE'S  
11 COUNTY, NOW EXISTING OR HEREAFTER ACQUIRED OR CONSTRUCTED, THAT IS  
12 USED BY THE COUNTY BOARD IN RELATION TO THE EDUCATION OF STUDENTS IN  
13 THE PRINCE GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM.

14 3-1009.1.

15 (A) IN ORDER TO PROVIDE PUBLIC SCHOOL FACILITIES, THE COUNTY BOARD  
16 MAY:

17 (1) ACQUIRE, CONSTRUCT, RECONSTRUCT, EQUIP, MAINTAIN, REPAIR,  
18 OR RENOVATE FACILITIES AT ANY LOCATION IN PRINCE GEORGE'S COUNTY, NOW  
19 EXISTING OR HEREAFTER ACQUIRED;

20 (2) ISSUE BONDS IN ACCORDANCE WITH THE PROCEDURES,  
21 REQUIREMENTS, AND LIMITATIONS APPLICABLE TO THE ISSUANCE OF BONDS BY  
22 THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS OF THE BALTIMORE CITY  
23 PUBLIC SCHOOL SYSTEM UNDER § 4-306.2 OF THIS ARTICLE;

24 (3) IN ACCORDANCE WITH STATE LAW, ACQUIRE, HOLD, AND DISPOSE  
25 OF REAL AND PERSONAL PROPERTY IN THE EXERCISE OF ITS POWERS AND THE  
26 PERFORMANCE OF ITS DUTIES UNDER THIS SUBTITLE;

27 (4) ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY OR  
28 INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS  
29 POWERS UNDER THIS SUBTITLE, EMPLOY CONSULTING ENGINEERS, ARCHITECTS,  
30 ATTORNEYS, CONSTRUCTION AND FINANCIAL EXPERTS, AND OTHER EMPLOYEES  
31 AND AGENTS, AND DETERMINE THEIR COMPENSATION;

32 (5) RECEIVE AND ACCEPT FROM THE UNITED STATES OF AMERICA OR  
33 ANY AGENCY OF THE FEDERAL GOVERNMENT GRANTS AND LOANS FOR THE  
34 PURPOSE OF FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF ANY  
35 PROJECT;

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

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

3 (B) THE COUNTY BOARD SHALL MAINTAIN RECORDS IDENTIFYING THE  
4 SOURCES AND AMOUNTS OF PAYMENTS USED TO SUPPORT THE COSTS OF ANY  
5 PROJECT AUTHORIZED UNDER THE PROVISIONS OF THIS SUBTITLE.

6 3-1009.2.

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

9 (B) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING,  
10 INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED FOR  
11 THE BONDS, MAY NOT EXCEED, AS OF THE DATE THE BONDS ARE ISSUED, \$25,000,000.

12 (C) BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE COUNTY BOARD  
13 AND MAY BE SECURED BY A TRUST AGREEMENT BY AND BETWEEN THE COUNTY  
14 BOARD AND A CORPORATE TRUSTEE OR TRUSTEES WHICH MAY BE ANY TRUST  
15 COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR  
16 OUTSIDE OF THE STATE.

17 (D) BEFORE THE BOARD MAY ISSUE A BOND UNDER THIS SECTION, THE  
18 COUNTY EXECUTIVE AND THE COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY  
19 SHALL PASS A RESOLUTION APPROVING THE COUNTY BOARD'S ISSUANCE OF THE  
20 BOND AND SHALL FORWARD THAT RESOLUTION TO THE COUNTY BOARD.

21 (E) THE RESOLUTION OF THE COUNTY BOARD AUTHORIZING THE BONDS:

22 (1) SHALL DESCRIBE THE PROJECTS THAT ARE TO BE FINANCED OR  
23 REFINANCED BY THE BOND;

24 (2) SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE BOND;

25 (3) SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE BONDS;

26 (4) SHALL PROVIDE THAT THE PROCEEDS OF THE BONDS BE INVESTED  
27 IN ACCORDANCE WITH ANY INVESTMENT POLICY APPROVED BY THE COUNTY  
28 BOARD; AND

29 (5) MAY PROVIDE THAT THE BONDS ARE REDEEMABLE BEFORE  
30 MATURITY AT A PRICE OR PRICES AND UNDER TERMS AND CONDITIONS OR IN  
31 ACCORDANCE WITH A METHOD DETERMINED BY THE COUNTY BOARD.

32 (F) THE RESOLUTION OF THE COUNTY BOARD OR THE TRUST AGREEMENT  
33 RELATING TO THE BONDS MAY CONTAIN PROVISIONS THAT:

34 (1) LIMIT THE PURPOSE TO WHICH THE PROCEEDS OF ANY ISSUE OF  
35 BONDS MAY BE APPLIED AND RESTRICT THE INVESTMENT OF REVENUES OR BOND

1 PROCEEDS IN GOVERNMENT OBLIGATIONS FOR WHICH PRINCIPAL AND INTEREST  
2 ARE UNCONDITIONALLY GUARANTEED BY THE UNITED STATES OF AMERICA;

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

6 (3) ASSIGN ALL OR ANY PART OF THE COUNTY BOARD'S FUNDS OR  
7 ASSETS;

8 (4) PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE  
9 BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF  
10 THE LAW, INCLUDING COVENANTS REGARDING:

11 (I) THE DUTIES OF THE COUNTY BOARD IN RELATION TO THE  
12 PROJECT;

13 (II) THE DUTIES OF THE COUNTY BOARD IN RELATION TO ITS  
14 FUNDS;

15 (III) THE CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL  
16 MONEYS; AND

17 (IV) THE RIGHTS AND REMEDIES OF BONDHOLDERS AND  
18 TRUSTEES, INCLUDING RESTRICTIONS ON THE INDIVIDUAL RIGHT OF ACTION BY  
19 BONDHOLDERS; AND

20 (5) THE COUNTY BOARD DEEMS REASONABLE AND PROPER FOR THE  
21 SECURITY OF THE BONDHOLDERS, INCLUDING COVENANTS PERTAINING TO THE  
22 ISSUANCE OF ADDITIONAL PARITY BONDS UPON STATED CONDITIONS.

23 (G) THE BONDS SHALL:

24 (1) BE DATED AND BEAR INTEREST AT THE FIXED OR VARIABLE RATE  
25 OR RATES DETERMINED BY THE METHOD PROVIDED IN THE RESOLUTION OF THE  
26 COUNTY BOARD AUTHORIZING THE ISSUANCE OF THE BONDS;

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

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

33 (4) BE PAYABLE AT A TIME OR TIMES, IN THE DENOMINATIONS AND  
34 FORM, EITHER COUPON OR REGISTERED OR BOTH, AND CARRY THE REGISTRATION  
35 AND PRIVILEGES AS TO CONVERSION AND FOR THE REPLACEMENT OF MUTILATED,  
36 LOST, OR DESTROYED BONDS AS THE RESOLUTION OF THE COUNTY BOARD MAY  
37 PROVIDE;

1 (5) BEAR THE MANUAL OR FACSIMILE SIGNATURE OF THE COUNTY  
2 SUPERINTENDENT OR ONE OF THE OTHER MEMBERS OF THE COUNTY BOARD, IN  
3 CASE ANY OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY  
4 BONDS OR COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE  
5 BONDS, THE SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND  
6 SUFFICIENT FOR ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE  
7 UNTIL DELIVERY;

8 (6) BEAR THE OFFICIAL SEAL OF THE COUNTY BOARD OR A FACSIMILE  
9 OF THE SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR  
10 FACSIMILE SIGNATURE OF THE SECRETARY OF THE COUNTY BOARD;

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

13 (8) BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT, REDEMPTION,  
14 REFUNDING, OR REFINANCING THAT THE RESOLUTION OF THE COUNTY BOARD  
15 PROVIDES; AND

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

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

21 (I) PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE COUNTY BOARD,  
22 UNDER LIKE RESTRICTIONS, MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS,  
23 WITH OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE  
24 BONDS ARE EXECUTED AND AVAILABLE FOR DELIVERY.

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

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

28 (II) WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE OF  
29 ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT  
30 ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.

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

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

36 (L) THE COUNTY BOARD MAY:

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

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

8 (M) (1) ANY BOND ISSUED UNDER THIS SUBTITLE SHALL STATE ON ITS FACE  
9 THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS OR  
10 OBLIGATION OF THE STATE, OF THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF  
11 PRINCE GEORGE'S COUNTY, OR OF ANY OTHER POLITICAL SUBDIVISION OF THE  
12 STATE, EXCEPT THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.

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

17 (N) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED  
18 SOLELY BY:

19 (1) ALL OR ANY PART OF THE FEES OR REVENUES GENERATED BY AN  
20 ACTIVITY OF THE COUNTY BOARD TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH  
21 PURPOSE;

22 (2) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS  
23 THEREON;

24 (3) ANY GRANT OR GIFT RECEIVED BY THE COUNTY BOARD TO THE  
25 EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE;

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

28 (5) ANY MONEYS THAT MAY LAWFULLY BE APPLIED TO THE PAYMENT  
29 OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY APPROPRIATION BY THE  
30 STATE OR PRINCE GEORGE'S COUNTY MADE LAWFULLY AVAILABLE FOR SUCH  
31 PURPOSE; OR

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

34 (O) PRIOR TO AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER  
35 COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH  
36 BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF THE  
37 PROCEEDS OF THE BONDS OR OUT OF OTHER MONEYS ALLOCATED FOR THAT  
38 PURPOSE.

1 (P) (1) THE COUNTY BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE  
2 ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN ACCORDANCE WITH THE  
3 PROCEDURES SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE ISSUANCE OF  
4 BONDS.

5 (2) EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD BE  
6 INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" AS USED IN THIS  
7 SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE  
8 PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE AND  
9 ITS POLITICAL SUBDIVISIONS.

10 (Q) IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE COUNTY  
11 BOARD MAY:

12 (1) OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR BOND  
13 INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF CREDIT,  
14 OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY FOR ANY  
15 BONDS; AND

16 (2) PLEDGE OR ASSIGN ALL OR ANY PART OF THE FUNDS OF THE  
17 COUNTY BOARD TO THE REPAYMENT OR REIMBURSEMENT OF THE PROVIDER OF  
18 THE BOND INSURANCE, RESERVE FUND INSURANCE, LETTER OF CREDIT, LINE OF  
19 CREDIT, OR OTHER FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT  
20 SECURITY.

21 (R) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE  
22 COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST  
23 AGREEMENT FOR ANY BONDS.

24 (S) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF THE  
25 STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS MAY  
26 FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY THE  
27 COUNTY BOARD.

28 (T) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A TRUST  
29 AGREEMENT IF IT SO STIPULATES.

30 (U) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF ANY  
31 TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF THE COST  
32 OF THE OPERATION OF THE COUNTY BOARD.

33 (V) UPON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL  
34 WITHHOLD FROM ANY INSTALLMENT DUE THE COUNTY BOARD FROM THE GENERAL  
35 STATE SCHOOL FUND MONEYS FOR DEPOSIT TO THE CREDIT OF A SINKING FUND  
36 MAINTAINED TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS. SUCH MONEYS  
37 SHALL BE WITHHELD UNTIL THE BONDS ARE NO LONGER OUTSTANDING AND  
38 UNPAID AND SHALL BE WITHHELD IN INSTALLMENTS. THE AMOUNT OF EACH  
39 INSTALLMENT SHALL BE DETERMINED AT THE TIME THE BONDS ARE ISSUED AND  
40 SHALL BE PROVIDED IN WRITING BY THE COUNTY BOARD TO THE STATE  
41 COMPTROLLER, PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH

1 INSTALLMENTS SHALL ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL AND  
2 INTEREST ON THE BONDS.

3 3-1009.3.

4 (A) THE EXERCISE OF THE POWERS GRANTED BY THE PROVISIONS OF THIS  
5 SUBTITLE SHALL BE FOR THE BENEFIT OF THE STUDENTS WHO ATTEND THE PUBLIC  
6 SCHOOLS UNDER THE COUNTY BOARD AND FOR THE IMPROVEMENT OF THEIR  
7 EDUCATION, PROSPERITY, HEALTH, LIVING CONDITIONS, AND GENERAL WELFARE.

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

15 3-1009.4.

16 THE BONDS ARE INVESTMENT SECURITIES.

17 3-1009.5.

18 THE TITLE TO ANY PROPERTY ACQUIRED OR CONSTRUCTED UNDER THE  
19 PROVISIONS OF THIS SUBTITLE SHALL BE HELD IN ACCORDANCE WITH STATE LAW.

20 3-1009.6.

21 (A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE  
22 WELFARE OF PRINCE GEORGE'S COUNTY AND ITS INHABITANTS, SHALL BE  
23 LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THE PROVISIONS.

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

28 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the  
29 provisions of Section 4 of this Act, Section 2 of this Act shall take effect July 1, 2006,  
30 the effective date of Section 7 of Chapter 289 of the Acts of the General Assembly of  
31 2002. If the effective date of Section 7 of Chapter 289 is amended, Section 2 of this Act  
32 shall take effect on the taking effect of Sections 20 and 21 of Chapter 289.

33 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take  
34 effect July 1, 2004. Section 1 of this Act shall remain effective until the taking effect  
35 of Section 2 of this Act. If Section 2 of this Act takes effect, Section 1 of this Act shall  
36 be abrogated and of no further force and effect.