

By: **Delegates Leopold and Rudolph**
Introduced and read first time: January 13, 2005
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

State Debt - Public School Construction - Maturity of General Obligation Bonds - 30 Years

4 FOR the purpose of amending the Maryland Constitution to provide that, with
5 respect to debt contracted by the General Assembly for public school
6 construction, the debt shall be authorized by law providing for the collection of
7 an annual tax or taxes sufficient to pay the interest on the debt as it falls due
8 and to discharge the principal on the debt within a certain number of years from
9 the time of contracting the debt; and submitting this amendment to the
10 qualified voters of the State of Maryland for their adoption or rejection.

11 BY proposing an amendment to the Maryland Constitution
12 Article III - Legislative Department
13 Section 34

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, (Three-fifths of all the members elected to each of the two Houses
16 concurring), That it be proposed that the Maryland Constitution read as follows:

Article III - Legislative Department

18 34.

19 (A) [No] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, NO debt
20 shall be hereafter contracted by the General Assembly unless such debt shall be
21 authorized by a law providing for the collection of an annual tax or taxes sufficient to
22 pay the interest on such debt as it falls due, and also to discharge the principal
23 thereof within fifteen years from the time of contracting the same[; and].

24 (B) NO DEBT FOR PUBLIC SCHOOL CONSTRUCTION SHALL BE CONTRACTED
25 BY THE GENERAL ASSEMBLY UNLESS THE DEBT IS AUTHORIZED BY A LAW
26 PROVIDING FOR THE COLLECTION OF AN ANNUAL TAX OR TAXES SUFFICIENT TO PAY
27 THE INTEREST ON THE DEBT AS IT FALLS DUE AND TO DISCHARGE THE PRINCIPAL
28 ON THE DEBT WITHIN 30 YEARS FROM THE TIME OF CONTRACTING THE DEBT.

1 (C) [the] THE taxes laid for [this purpose] THE PURPOSES OF SUBSECTIONS
2 (A) AND (B) OF THIS SECTION shall not be repealed or applied to any other object until
3 the said debt and interest thereon shall be fully discharged.

4 (D) The annual tax or taxes required to be collected FOR THE PURPOSES OF
5 SUBSECTIONS (A) AND (B) OF THIS SECTION shall not be collected in the event that
6 sufficient funds to pay the principal and interest on the debt are appropriated for this
7 purpose in the annual State budget.

8 (E) The credit of the State shall not in any manner be given, or loaned to, or in
9 aid of any individual association or corporation; nor shall the General Assembly have
10 the power to involve the State in the construction of works of internal improvement
11 which shall involve the faith or credit of the State, except in aid of the construction of
12 works of internal improvement in the counties of St. Mary's, Charles and Calvert,
13 which have had no direct advantage from such works as have been heretofore aided
14 by the State; and provided that such aid, advances or appropriations shall not exceed
15 in the aggregate the sum of five hundred thousand dollars. And they shall not use or
16 appropriate the proceeds of the internal improvement companies, or of the State tax,
17 now levied, or which may hereafter be levied, to pay off the public debt or to any other
18 purpose until the interest and debt are fully paid or the sinking fund shall be equal to
19 the amount of the outstanding debt; but the General Assembly may authorize the
20 Board of Public Works to direct the State Treasurer to borrow in the name of the
21 State, in anticipation of the collection of taxes or other revenues, including proceeds
22 from the sale of bonds, such sum or sums as may be necessary to meet temporary
23 deficiencies in the treasury, to preserve the best interest of the State in the conduct of
24 the various State institutions, departments, bureaus, and agencies during each fiscal
25 year. Subject to the approval of the Board of Public Works and as provided by law, the
26 State Treasurer is authorized to make and sell short-term notes for temporary
27 emergencies in the name of the State, in anticipation of the collection of taxes or other
28 revenues, including proceeds from the sale of bonds to meet temporary deficiencies in
29 the Treasury, but such notes must only be made to provide for appropriations already
30 made by the General Assembly. Any revenues anticipated for the purpose of
31 short-term notes, made and sold under the authority of this section, must be so
32 certain as to be readily estimable as to the time of receipt of the revenues and as to
33 the amount of the revenues. The General Assembly may contract debts to any amount
34 that may be necessary for the defense of the State, and provided further that nothing
35 in this section shall be construed to prohibit the raising of funds for the purpose of
36 aiding or compensating in such manner or way as the General Assembly of the State
37 shall deem proper, those citizens of the State who have served, with honor, their
38 Country and State in time of War; provided, however, that such action of the General
39 Assembly shall be effective only when submitted to and approved by a vote of the
40 people of the State at the General Election next following the enactment of such
41 legislation.

42 SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly
43 determines that the amendment to the Maryland Constitution proposed by this Act
44 affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the
45 Maryland Constitution concerning local approval of constitutional amendments do
46 not apply.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the aforesgoing section
2 proposed as an amendment to the Maryland Constitution shall be submitted to the
3 legal and qualified voters of this State at the next general election to be held in
4 November, 2006 for their adoption or rejection in pursuance of directions contained in
5 Article XIV of the Maryland Constitution. At that general election, the vote on this
6 proposed amendment to the Constitution shall be by ballot, and upon each ballot
7 there shall be printed the words "For the Constitutional Amendment" and "Against
8 the Constitutional Amendment," as now provided by law. Immediately after the
9 election, all returns shall be made to the Governor of the vote for and against the
10 proposed amendment, as directed by Article XIV of the Maryland Constitution, and
11 further proceedings had in accordance with Article XIV.