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By: **Senator Middleton**

Introduced and read first time: February 18, 2005

Assigned to: Rules

Re-referred to: Budget and Taxation, February 25, 2005

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 28, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Charles County - New School Capacity Construction Bonds - Limitation**

3 FOR the purpose of repealing a certain limitation on the amount the Charles County  
4 Commissioners may borrow by issuing certain bonds; and generally relating to  
5 the issuance of certain bonds by the Charles County Commissioners.

6 BY repealing and reenacting, without amendments,  
7 Article 66B - Land Use  
8 Section 14.05(f)(1)  
9 Annotated Code of Maryland  
10 (2003 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article 66B - Land Use  
13 Section 14.05(f)(2)  
14 Annotated Code of Maryland  
15 (2003 Replacement Volume and 2004 Supplement)

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

**Article 66B - Land Use**

14.05.

(f) (1) (i) In this subsection the following words have the meanings indicated.

(ii) 1. "All county costs" means the total costs incurred to construct new capacity for public school facilities in the county, including costs for:

A. Land acquisition;

B. Architectural and engineering design;

C. Infrastructure;

D. New classrooms;

E. Equipment;

F. Interest on bond principal; and

G. Bond issuance.

2. "All county costs" includes the total square footage of new public school facilities multiplied by the State square foot construction allowance, minus the State funding share.

(iii) "Dwelling type" means single family detached home, town house, or multifamily housing unit.

(iv) "New residential development" means the development of land that results in the issuance of a use and occupancy permit for a residential dwelling unit.

(v) "New school capacity construction bonds" means 10-year bonds issued by the County Commissioners under this subsection.

(vi) "Public school facilities" means elementary, middle, and high school facilities.

(vii) "Pupil generation rate" means the average number of students in the county by dwelling type attending elementary, middle, and high school.

(2) (i) The County Commissioners may [borrow not more than \$100,000,000 by issuing] ISSUE 10-year new school capacity construction bonds at any time and from time to time on the full faith and credit of the county to fund all county costs in providing new school capacity.

(ii) The new school capacity construction bonds shall constitute securities:

1                                   1.           In which all public officers, public bodies of the State and  
2 its political subdivisions, all insurance companies, State banks and trust companies,  
3 national banking associations, savings banks, savings and loan associations,  
4 investment companies, executors, administrators, trustees, and other fiduciaries may  
5 properly and legally invest funds including capital in their control or belonging to  
6 them; and

7                                   2.           Which may be properly and legally deposited with and  
8 received by any State or county officer, any State agency, or political subdivision of  
9 the State for any purpose for which the deposit of bonds or obligations of the State  
10 may be authorized by law.

11                               (iii)       The issuance and sale of new school capacity construction bonds  
12 under this subsection is exempt from the provisions of Article 31, §§ 9 through 11 of  
13 the Code.

14                               (iv)       The transfer of, interest on, and any income derived from new  
15 school capacity construction bonds shall be exempt from State and local taxation.

16       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2005.