

HOUSE BILL 556

F3

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By: **Prince George's County Delegation**

Introduced and read first time: February 3, 2010

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Education – Prince George's County Board of Education – Bonding Authority**

3 **PG 424–10**

4 FOR the purpose of authorizing the Prince George's County Board of Education to
5 issue bonds for the acquisition, development, or improvement of public school
6 facilities in the Prince George's County Public School System; establishing the
7 rights and duties associated with the bonding authority; requiring passage of a
8 certain resolution by the governing body of Prince George's County before
9 bonds may be issued; providing for the construction and severability of a portion
10 of this Act; submitting this Act to a referendum of the legally qualified voters of
11 Prince George's County; and generally relating to the Prince George's County
12 Public School System.

13 BY adding to

14 Article – Education

15 Section 4–401 through 4–407 to be under the new subtitle “Subtitle 4. Prince
16 George's County”

17 Annotated Code of Maryland

18 (2008 Replacement Volume and 2009 Supplement)

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

21 **Article – Education**

22 **SUBTITLE 4. PRINCE GEORGE'S COUNTY.**

23 **4–401.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
2 **INDICATED.**

3 **(B) “BOARD” MEANS THE PRINCE GEORGE’S COUNTY BOARD OF**
4 **EDUCATION.**

5 **(C) “BONDS” MEANS REVENUE BONDS, REFUNDING BONDS,**
6 **CERTIFICATES, NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER**
7 **EVIDENCE OF INDEBTEDNESS, AND, WHERE APPLICABLE, BOND ANTICIPATION**
8 **NOTES.**

9 **(D) “COSTS” AS APPLIED TO ANY PROJECT MEANS ALL COSTS OF THE**
10 **PROJECT, INCLUDING:**

11 **(1) THE COST OF ACQUISITION, CONSTRUCTION,**
12 **RECONSTRUCTION, EQUIPPING, MAINTENANCE, REPAIR, AND RENOVATION;**

13 **(2) THE COST OF ACQUISITION OF ALL LAND, RIGHTS-OF-WAY,**
14 **PROPERTY RIGHTS, EASEMENTS, AND INTERESTS ACQUIRED BY THE BOARD;**

15 **(3) FINANCE CHARGES AND INTEREST PRIOR TO AND DURING**
16 **CONSTRUCTION AND FOR 1 YEAR AFTER COMPLETION OF CONSTRUCTION;**

17 **(4) THE COST OF ARCHITECTURAL, ENGINEERING, AND LEGAL**
18 **EXPENSES, PLANS, SPECIFICATIONS, FEASIBILITY STUDIES, SURVEYS,**
19 **ESTIMATES OF COSTS AND REVENUE, AND OTHER EXPENSES NECESSARY OR**
20 **DESIRABLE FOR DETERMINING THE FEASIBILITY OR PRACTICABILITY OF**
21 **CONSTRUCTION OF ANY PROJECT;**

22 **(5) RESERVES FOR THE PAYMENT OF DEBT SERVICE, OPERATING**
23 **RESERVES, AND REPAIR AND REPLACEMENT FUNDS; AND**

24 **(6) ADMINISTRATIVE EXPENSES AND OTHER EXPENSES**
25 **NECESSARY OR ALLOCABLE TO ANY PROJECT, THE FINANCING OR REFINANCING**
26 **OF ANY PROJECT, THE ISSUANCE OF BONDS, AND THE PLACING OF ANY**
27 **PROJECT IN OPERATION.**

28 **(E) “PROJECT” MEANS THE ACQUISITION, CONSTRUCTION,**
29 **RECONSTRUCTION, EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF**
30 **ANY PUBLIC SCHOOL FACILITY.**

31 **(F) “PUBLIC SCHOOL FACILITY” MEANS A BUILDING, PARKING**
32 **FACILITY, ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN**

1 PRINCE GEORGE'S COUNTY, NOW EXISTING OR HEREAFTER ACQUIRED OR
2 CONSTRUCTED, THAT IS USED BY THE BOARD IN RELATION TO THE EDUCATION
3 OF STUDENTS IN THE PRINCE GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM.

4 4-402.

5 (A) IN ORDER TO PROVIDE PUBLIC SCHOOL FACILITIES, THE BOARD
6 MAY:

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

10 (2) ISSUE BONDS IN ACCORDANCE WITH § 4-403 OF THIS
11 SUBTITLE;

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

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

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

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

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

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

1 **4-403.**

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

4 (B) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING,
5 INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED
6 FOR THE BONDS, MAY NOT EXCEED, AS OF THE DATE THAT THE BONDS ARE
7 ISSUED, \$100,000,000.

8 (C) BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE BOARD
9 AND MAY BE SECURED BY A TRUST AGREEMENT BY AND BETWEEN THE BOARD
10 AND A CORPORATE TRUSTEE OR TRUSTEES WHICH MAY BE ANY TRUST
11 COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR
12 OUTSIDE THE STATE.

13 (D) BEFORE THE BOARD MAY ISSUE BONDS UNDER THIS SECTION, THE
14 GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL PASS A RESOLUTION
15 APPROVING THE BOARD'S ISSUANCE OF THE BONDS AND SHALL FORWARD THAT
16 RESOLUTION TO THE BOARD.

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

18 (1) SHALL DESCRIBE THE PROJECTS THAT ARE TO BE FINANCED
19 OR REFINANCED BY THE BONDS;

20 (2) SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE
21 BONDS;

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

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

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

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

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

6 **(2) PROVIDE FOR THE ISSUANCE OF ADDITIONAL BONDS TO**
7 **FINANCE OR REFINANCE ANY PROJECTS, WHICH MAY NOT EXCEED THE TOTAL**
8 **VALUE OF THE OUTSTANDING BONDS ALLOWED UNDER SUBSECTION (B) OF THIS**
9 **SECTION;**

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

11 **(4) PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE**
12 **BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF**
13 **THE LAW, INCLUDING COVENANTS THAT SHALL INCLUDE:**

14 **(I) THE DUTIES OF THE BOARD IN RELATION TO THE**
15 **PROJECT;**

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

17 **(III) THE CUSTODY, SAFEGUARDING, AND APPLICATION OF**
18 **ALL MONEY; AND**

19 **(IV) THE RIGHTS AND REMEDIES OF BONDHOLDERS AND**
20 **TRUSTEES, AND MAY RESTRICT THE INDIVIDUAL RIGHT OF ACTION BY**
21 **BONDHOLDERS; AND**

22 **(5) THE BOARD DEEMS REASONABLE AND PROPER FOR THE**
23 **SECURITY OF THE BONDHOLDERS, INCLUDING COVENANTS PERTAINING TO THE**
24 **ISSUANCE OF ADDITIONAL PARITY BONDS ON STATED CONDITIONS.**

25 **(G) THE BONDS SHALL:**

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

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

1 **(3) BE ISSUED AT, ABOVE, OR BELOW PAR VALUE, FOR CASH OR**
2 **OTHER VALUABLE CONSIDERATION;**

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

8 **(5) EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION,**
9 **BEAR THE MANUAL OR FACSIMILE SIGNATURE OF ONE OF THE MEMBERS OF THE**
10 **BOARD;**

11 **(6) BEAR THE OFFICIAL SEAL OF THE BOARD OR A FACSIMILE OF**
12 **THE SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR**
13 **FACSIMILE SIGNATURE OF THE SECRETARY OF THE BOARD;**

14 **(7) BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OF**
15 **AMERICA AT A DESIGNATED PLACE;**

16 **(8) BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT,**
17 **REDEMPTION, REFUNDING, OR REFINANCING THAT THE RESOLUTION OF THE**
18 **BOARD PROVIDES; AND**

19 **(9) BE SOLD IN THE MANNER AND ON THE TERMS DETERMINED**
20 **BY THE BOARD INCLUDING PRIVATE OR NEGOTIATED SALE.**

21 **(H) FOR PURPOSES OF SUBSECTION (G)(5) OF THIS SECTION, IF ANY**
22 **OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY BONDS**
23 **OR COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE BONDS,**
24 **THE SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND**
25 **SUFFICIENT FOR ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE**
26 **UNTIL DELIVERY.**

27 **(I) ALL BONDS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE**
28 **SHALL HAVE ALL THE QUALITIES AND INCIDENTS OF NEGOTIABLE**
29 **INSTRUMENTS UNDER THE LAWS OF THE STATE RELATING TO NEGOTIABLE**
30 **INSTRUMENTS.**

31 **(J) BEFORE THE PREPARATION OF DEFINITIVE BONDS, THE BOARD,**
32 **UNDER LIKE RESTRICTIONS, MAY ISSUE INTERIM RECEIPTS OR TEMPORARY**

1 BONDS, WITH OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS
2 WHEN THE BONDS ARE EXECUTED AND AVAILABLE FOR DELIVERY.

3 (K) (1) BONDS MAY BE ISSUED UNDER THE PROVISIONS OF THIS
4 SUBTITLE:

5 (I) WITHOUT OBTAINING THE CONSENT OF ANY
6 DEPARTMENT, DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE
7 STATE; OR

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

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

15 (L) THE BOARD SHALL ESTABLISH ONE OR MORE TRUST FUNDS FOR
16 THE DEPOSIT OF THE PROCEEDS OF THE BONDS OF ANY ISSUE.

17 (M) THE BOARD MAY:

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

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

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

31 (2) THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION
32 CONTRACTED BY THE GENERAL ASSEMBLY OR PLEDGE THE FAITH AND CREDIT

1 OF THE STATE WITHIN THE MEANING OF ARTICLE III, § 34 OF THE MARYLAND
2 CONSTITUTION.

3 (O) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED
4 SOLELY BY:

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

8 (2) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS
9 THEREON;

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

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

14 (5) ANY MONEY THAT MAY LAWFULLY BE APPLIED TO THE
15 PAYMENT OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY
16 APPROPRIATION BY THE STATE OR PRINCE GEORGE'S COUNTY MADE
17 LAWFULLY AVAILABLE FOR SUCH PURPOSE; OR

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

20 (P) BEFORE AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER
21 COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH
22 BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF
23 THE PROCEEDS OF THE BONDS OR OUT OF OTHER MONEY ALLOCATED FOR THAT
24 PURPOSE.

25 (Q) (1) THE BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE
26 ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN ACCORDANCE WITH THE
27 PROCEDURES SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE ISSUANCE
28 OF BONDS.

29 (2) EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD
30 BE INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" USED IN
31 THIS SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE
32 PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE
33 AND ITS POLITICAL SUBDIVISIONS.

1 **(R) IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE BOARD**
2 **MAY:**

3 **(1) OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR**
4 **BOND INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF**
5 **CREDIT, OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT**
6 **SECURITY FOR ANY BONDS; AND**

7 **(2) PLEDGE OR ASSIGN ALL OR ANY PART OF THE FUNDS OF THE**
8 **BOARD TO THE REPAYMENT OR REIMBURSEMENT OF THE PROVIDER OF THE**
9 **BOND INSURANCE, RESERVE FUND INSURANCE, LETTER OF CREDIT, LINE OF**
10 **CREDIT, OR OTHER FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT**
11 **SECURITY.**

12 **(S) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE**
13 **COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST**
14 **AGREEMENT FOR ANY BONDS.**

15 **(T) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS**
16 **OF THE STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS**
17 **MAY FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY**
18 **THE BOARD.**

19 **(U) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A**
20 **TRUST AGREEMENT IF IT SO STIPULATES.**

21 **(V) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF**
22 **ANY TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF**
23 **THE COST OF THE OPERATIONS OF THE BOARD.**

24 **(W) ON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL**
25 **WITHHOLD FROM ANY INSTALLMENT DUE THE BOARD FROM THE GENERAL**
26 **STATE SCHOOL FUND MONEY FOR DEPOSIT TO THE CREDIT OF A SINKING FUND**
27 **MAINTAINED TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS. SUCH**
28 **MONEY SHALL BE WITHHELD UNTIL THE BONDS ARE NO LONGER OUTSTANDING**
29 **AND UNPAID AND SHALL BE WITHHELD IN INSTALLMENTS. THE AMOUNT OF**
30 **EACH INSTALLMENT SHALL BE DETERMINED AT THE TIME THE BONDS ARE**
31 **ISSUED AND SHALL BE PROVIDED IN WRITING BY THE BOARD TO THE STATE**
32 **COMPTROLLER, PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH**
33 **INSTALLMENTS SHALL ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL**
34 **AND INTEREST ON THE BONDS.**

1 **4-404.**

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

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

14 **4-405.**

15 THE BONDS ARE INVESTMENT SECURITIES.

16 **4-406.**

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

20 **4-407.**

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
25 OF THE PROVISIONS SHALL BE HELD UNCONSTITUTIONAL BY ANY COURT OF
26 COMPETENT JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR
27 IMPAIR ANY OF THE REMAINING PROVISIONS.

28 SECTION 2. AND BE IT FURTHER ENACTED, That before this Act becomes
29 effective it shall first be submitted to a referendum of the legally qualified voters of
30 Prince George's County at the general election to be held in November of 2010. The
31 County governing body and the Prince George's County Board of Elections shall do
32 those things necessary and proper to provide for and hold the referendum required by
33 this section. If a majority of the votes cast on the question are "For the referred law"
34 the provisions of this Act shall become effective on the 30th day following the official

1 canvass of votes for the referendum, but if a majority of the votes cast on the question
2 are “Against the referred law” the provisions of this Act are of no effect and null and
3 void.

4 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions
5 of Section 2 of this Act and for the sole purpose of providing for the referendum
6 required by Section 2 of this Act, this Act shall take effect July 1, 2010.