

# SENATE BILL 60

B5

(PRE-FILED)

1lr1325  
CF HB 887

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By: **Senator Peters**

Requested: October 30, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 23, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Debt – Annuity Bond Fund – Use of Bond Premiums**

3 FOR the purpose of altering the authorized use of certain premiums transferred to the  
4 Annuity Bond Fund from the sale of State bonds to include paying for capital projects  
5 and, under certain circumstances, any other use authorized by the Internal Revenue  
6 Code; making a conforming change; defining a certain term; and generally relating  
7 to the use of certain premiums transferred to the Annuity Bond Fund from the sale  
8 of State bonds.

9 BY repealing and reenacting, without amendments,

10 Article – State Finance and Procurement

11 Section 8–125(a)

12 Annotated Code of Maryland

13 (2015 Replacement Volume and 2020 Supplement)

14 BY repealing and reenacting, with amendments,

15 Article – State Finance and Procurement

16 Section 8–125(e) and 8–132

17 Annotated Code of Maryland

18 (2015 Replacement Volume and 2020 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

20 That the Laws of Maryland read as follows:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – State Finance and Procurement**

2 8–125.

3 (a) In this section, “Fund” means the State and Local Facilities Loan Fund.

4 (e) (1) Unless payment of expenses otherwise has been provided, the expenses  
 5 of each bond sale shall be paid from the proceeds of that bond sale credited to the premium  
 6 and expense account.

7 (2) After the expenses of each sale of State bonds have been paid, the  
 8 remaining premium credited to the premium and expense account from that bond sale shall  
 9 be transferred to the Annuity Bond Fund [to pay debt service on State bonds].

10 8–132.

11 (a) **IN THIS SECTION, “CODE” MEANS THE INTERNAL REVENUE CODE OF**  
 12 **1986 AND INCLUDES REGULATIONS AND RULINGS ISSUED UNDER THAT CODE.**

13 **(B)** There is an Annuity Bond Fund.

14 **[(b)] (C)** The Comptroller shall:

15 (1) credit to the Annuity Bond Fund any money appropriated in the State  
 16 budget to:

17 (i) meet the debt service requirements on State bonds; and

18 (ii) pay the costs of fiscal agents and other contracting parties  
 19 appointed by the State Treasurer under §§ 8–121 and 8–136 of this subtitle; and

20 (2) as specified in the appropriation, use the money to meet the debt service  
 21 on the State bonds and pay fiscal agents and other contracting parties’ costs.

22 **[(c)] (D)** Any premium from the sale of State bonds transferred to the Annuity  
 23 Bond Fund under § 8–125 of this subtitle may be used to pay **FOR:**

24 **(1)** debt service on State bonds;

25 **(2)** **CAPITAL PROJECTS; OR**

26 **(3)** **IF NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY**  
 27 **WITH THE REQUIREMENTS OF THE CODE, ANY OTHER USE AUTHORIZED BY THE**  
 28 **CODE.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2021.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.