

Bill No.: \_\_\_\_\_

Requested: \_\_\_\_\_

Committee: \_\_\_\_\_

Drafted by: Tagalicon

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Stored – 10/22/15

Proofread by \_\_\_\_\_

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By: **Montgomery County Delegation**

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County Student Loan Refinancing Authority**

3 **MC 27-16**

4 FOR the purpose of authorizing Montgomery County to create the Montgomery County  
5 Student Loan Refinancing Authority; providing that the Authority shall be  
6 authorized to exercise the powers set forth in this Act only on the taking effect of an  
7 ordinance enacted by the Montgomery County government creating the Authority  
8 and approving the Authority to exercise its powers; providing for the purpose,  
9 membership, powers, duties, and organization of the Authority; authorizing the  
10 Authority to issue bonds and notes for its corporate purposes related to loans for  
11 students or parents of students to assist in financing the cost of higher education;  
12 providing for the terms and manner of issuance of the bonds and notes; authorizing  
13 the Authority to adopt certain regulations; requiring certain money received under  
14 this Act to be held as trust funds; exempting certain property, money, and income of  
15 the Authority from certain taxation by the State and political subdivisions of the  
16 State; authorizing certain entities to invest in bonds issued by the Authority;  
17 providing a certain pledge that the State will not limit certain rights vested in the  
18 Authority; prohibiting certain obligations of the Authority from being obligations of  
19 the State and political subdivisions of the State; stating certain findings and intent  
20 of the General Assembly; defining certain terms; providing for the construction of

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 this Act; making the provisions of this Act severable; and generally relating to the  
2 Montgomery County Student Loan Refinancing Authority.

3 BY adding to  
4 Article – Education  
5 Section 18–3101 through 18–3122 to be under the new subtitle “Subtitle 31.  
6 Montgomery County Student Loan Refinancing Authority”  
7 Annotated Code of Maryland  
8 (2014 Replacement Volume and 2015 Supplement)

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

11 **Article – Education**

12 **SUBTITLE 31. MONTGOMERY COUNTY STUDENT LOAN REFINANCING AUTHORITY.**  
13 **18–3101.**

14 **(A) THE GENERAL ASSEMBLY FINDS THAT:**

15 **(1) IT IS IN THE PUBLIC INTEREST AND ESSENTIAL TO THE WELFARE**  
16 **OF MONTGOMERY COUNTY RESIDENTS AND TO THE PROPER GROWTH AND**  
17 **DEVELOPMENT OF MONTGOMERY COUNTY TO PROVIDE FINANCIAL ASSISTANCE TO**  
18 **ENABLE MONTGOMERY COUNTY RESIDENTS TO OBTAIN A POSTSECONDARY**  
19 **EDUCATION;**

20 **(2) MANY RESIDENTS OF MONTGOMERY COUNTY WHO ARE**  
21 **QUALIFIED TO ENROLL IN POSTSECONDARY EDUCATION LACK THE FINANCIAL**  
22 **MEANS TO PAY THE COST OF POSTSECONDARY EDUCATION, WHICH RESULTS IN A**  
23 **LOSS OF VALUABLE TALENTS VITAL TO THE WELFARE OF THE COUNTY; AND**

24 **(3) THE ESTABLISHMENT OF A SYSTEM THAT WILL PROVIDE**  
25 **FINANCIAL ASSISTANCE TO ENABLE MONTGOMERY COUNTY RESIDENTS TO OBTAIN**  
26 **A POSTSECONDARY EDUCATION SERVES A PUBLIC PURPOSE AND IS CONSISTENT**  
27 **WITH THE LONG ESTABLISHED POLICY OF THE STATE TO ENCOURAGE, PROMOTE,**  
28 **AND ASSIST THE EDUCATION OF THE RESIDENTS OF THE STATE.**

1           **(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO AUTHORIZE**  
2 **MONTGOMERY COUNTY TO PROVIDE A SYSTEM OF FINANCIAL ASSISTANCE,**  
3 **CONSISTING OF GRANTS, LOANS, AND OTHER AIDS, TO ENABLE MONTGOMERY**  
4 **COUNTY RESIDENTS TO OBTAIN A POSTSECONDARY EDUCATION.**

5 **18-3102.**

6           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
7 **INDICATED.**

8           **(B) “AUTHORITY” MEANS THE MONTGOMERY COUNTY STUDENT LOAN**  
9 **REFINANCING AUTHORITY.**

10           **(C) “BONDS” MEANS THE BONDS, NOTES, SECURITIES, OR OTHER**  
11 **OBLIGATIONS OR EVIDENCES OF INDEBTEDNESS ISSUED BY THE AUTHORITY IN**  
12 **ACCORDANCE WITH THIS SUBTITLE.**

13           **(D) “COUNTY” MEANS THE BODY POLITIC AND CORPORATE OF THE STATE**  
14 **KNOWN AS MONTGOMERY COUNTY.**

15           **(E) “COUNTY COUNCIL” MEANS THE COUNTY COUNCIL OF MONTGOMERY**  
16 **COUNTY.**

17           **(F) “COUNTY EXECUTIVE” MEANS THE CHIEF ELECTED EXECUTIVE**  
18 **OFFICIAL OF MONTGOMERY COUNTY.**

19           **(G) “EDUCATION LOAN” MEANS A LOAN TO A STUDENT OR THE PARENT,**  
20 **LEGAL GUARDIAN, OR SPONSOR OF THE STUDENT, OR TO AN ELIGIBLE INSTITUTION,**  
21 **FOR THE PURPOSE OF FINANCING A STUDENT’S ATTENDANCE AT AN ELIGIBLE**  
22 **INSTITUTION.**

23           **(H) (1) “ELIGIBLE INSTITUTION” MEANS AN INSTITUTION OF**  
24 **POSTSECONDARY EDUCATION THAT GENERALLY LIMITS ENROLLMENT TO**  
25 **GRADUATES OF SECONDARY SCHOOLS, AND AWARDS DEGREES AT EITHER THE**  
26 **ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.**

1           **(2) “ELIGIBLE INSTITUTION” INCLUDES IN-STATE AND**  
2 **OUT-OF-STATE PUBLIC, PRIVATE NONPROFIT, AND FOR-PROFIT INSTITUTIONS OF**  
3 **HIGHER EDUCATION.**

4           **(I) “ELIGIBLE LOAN” MEANS A LOAN TO A STUDENT OR TO THE PARENT OF**  
5 **A STUDENT INSURED OR GUARANTEED BY THE SECRETARY, OR BY ANY OTHER**  
6 **GOVERNMENTAL OR PRIVATE AGENCY, CORPORATION, OR ORGANIZATION HAVING**  
7 **A REINSURANCE OR GUARANTY AGREEMENT WITH THE SECRETARY APPLICABLE TO**  
8 **THE LOAN.**

9           **(J) “GUARANTEED STUDENT LOAN PROGRAM” MEANS THE PROGRAM OF**  
10 **FEDERAL STUDENT LOAN INSURANCE AND REINSURANCE ADMINISTERED BY THE**  
11 **SECRETARY.**

12           **(K) “LENDER” MEANS ANY GOVERNMENTAL OR PRIVATE AGENCY,**  
13 **CORPORATION, ORGANIZATION, OR INSTITUTION, INCLUDING EDUCATIONAL**  
14 **INSTITUTIONS AND THE AUTHORITY, DESIGNATED AS AN ELIGIBLE LENDER BY**  
15 **FEDERAL STATUTE, REGULATION, OR ADMINISTRATIVE RULING FOR THE PURPOSES**  
16 **OF THE GUARANTEED STUDENT LOAN PROGRAM.**

17           **(L) “SECRETARY” MEANS THE UNITED STATES SECRETARY OF**  
18 **EDUCATION.**

19           **(M) (1) “STUDENT” MEANS AN INDIVIDUAL WHO MEETS THE RESIDENCY,**  
20 **ENROLLMENT, AND SATISFACTORY PROGRESS CRITERIA AND ANY OTHER CRITERIA**  
21 **ESTABLISHED BY THE AUTHORITY FOR AN INDIVIDUAL TO BE ELIGIBLE FOR**  
22 **FINANCIAL ASSISTANCE FROM THE AUTHORITY.**

23           **(2) “STUDENT” INCLUDES DEPENDENT AND INDEPENDENT**  
24 **UNDERGRADUATE, GRADUATE, AND PROFESSIONAL STUDENTS.**

25 **18-3103.**

26           **(A) IN ACCORDANCE WITH THIS SUBTITLE, MONTGOMERY COUNTY IS**  
27 **AUTHORIZED TO CREATE A BODY CORPORATE AND POLITIC TO BE KNOWN AS THE**  
28 **MONTGOMERY COUNTY STUDENT LOAN REFINANCING AUTHORITY.**

1           **(B) THE PURPOSE OF THE AUTHORITY IS TO FINANCE POSTSECONDARY**  
2 **EDUCATION FOR MONTGOMERY COUNTY RESIDENTS THROUGH:**

3           **(1) THE MAKING, PURCHASING, TAKING, ACQUIRING, OR LENDING**  
4 **AGAINST THE SECURITY OF, ELIGIBLE LOANS AND EDUCATION LOANS; AND**

5           **(2) THE SELLING OF ELIGIBLE LOANS AND EDUCATION LOANS MADE,**  
6 **TAKEN, ENDORSED, ACQUIRED, OR PURCHASED BY THE AUTHORITY TO**  
7 **GOVERNMENTAL OR PRIVATE FINANCIAL INSTITUTIONS.**

8           **(C) TO ESTABLISH THE AUTHORITY AS AUTHORIZED IN SUBSECTION (A) OF**  
9 **THIS SECTION, THE COUNCIL MUST PASS AN ORDINANCE THAT:**

10           **(1) CREATES THE AUTHORITY;**

11           **(2) AUTHORIZES THE AUTHORITY TO EXERCISE ALL POWERS SET**  
12 **FORTH IN THIS SUBTITLE WITHIN THE LIMITATIONS AND ON THE TERMS AND**  
13 **CONDITIONS SET FORTH IN THIS SUBTITLE; AND**

14           **(3) IS SIGNED AND APPROVED BY THE COUNTY EXECUTIVE.**

15           **(D) IF THE AUTHORITY IS ESTABLISHED AS AUTHORIZED IN SUBSECTION**  
16 **(A) OF THIS SECTION, THE AUTHORITY SHALL CONSTITUTE A PUBLIC**  
17 **INSTRUMENTALITY OF MONTGOMERY COUNTY, AND THE EXERCISE BY THE**  
18 **AUTHORITY OF THE POWERS SET FORTH IN THIS SUBTITLE IS THE PERFORMANCE**  
19 **OF AN ESSENTIAL PUBLIC FUNCTION.**

20 **18-3104.**

21           **(A) THE MONTGOMERY COUNTY STUDENT LOAN REFINANCING**  
22 **AUTHORITY SHALL CONSIST OF 5 MEMBERS APPOINTED BY THE COUNTY**  
23 **EXECUTIVE, SUBJECT TO THE CONFIRMATION OF THE COUNTY COUNCIL.**

24           **(B) (1) EACH MEMBER MUST BE A RESIDENT OF THE COUNTY.**

25           **(2) INDIVIDUALS WHO ARE APPOINTED AS MEMBERS OF THE**  
26 **AUTHORITY MUST BE INDIVIDUALS WHO ARE QUALIFIED BY TRAINING OR**  
27 **EXPERIENCE IN EDUCATION, FINANCE, OR PERSONAL INVESTMENT CONSULTING.**

1           **(C) (1) (I) THE MEMBERS OF THE AUTHORITY FIRST APPOINTED**  
2 **SHALL SERVE FOR TERMS EXPIRING ON JUNE 30, 2017, 2018, 2019, 2020, AND 2021,**  
3 **RESPECTIVELY, AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

4                           **(II) ON THE EXPIRATION OF THE TERM OF ANY MEMBER, A**  
5 **SUCCESSOR SHALL BE APPOINTED FOR A TERM OF 5 YEARS AND UNTIL A SUCCESSOR**  
6 **IS APPOINTED AND QUALIFIES.**

7           **(2) THE COUNTY EXECUTIVE SHALL APPOINT A QUALIFIED**  
8 **INDIVIDUAL TO FILL ANY VACANCY, SUBJECT TO THE CONFIRMATION OF THE**  
9 **COUNTY COUNCIL.**

10                       **(3) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED**  
11 **TERM SHALL SERVE ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A**  
12 **SUCCESSOR IS APPOINTED AND QUALIFIES.**

13                       **(4) A MEMBER OF THE AUTHORITY MAY BE REMOVED BY THE**  
14 **COUNTY EXECUTIVE FOR INCOMPETENCE, MISCONDUCT, OR OTHER CAUSE AFTER**  
15 **NOTICE, AND WITH THE APPROVAL OF THE COUNCIL.**

16           **(D) (1) EACH YEAR THE AUTHORITY SHALL ELECT FROM AMONG ITS**  
17 **MEMBERS:**

18                           **(I) A CHAIR;**

19                           **(II) A VICE-CHAIR; AND**

20                           **(III) ANY OTHER OFFICERS IT REQUIRES.**

21                       **(2) A MEMBER OF THE AUTHORITY:**

22                           **(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**  
23 **AUTHORITY; BUT**

24                           **(II) IS ENTITLED TO REIMBURSEMENT FOR ACTUAL EXPENSES**  
25 **NECESSARILY INCURRED IN THE PERFORMANCE OF DUTIES.**

1 **18-3105.**

2 (A) (1) THE AUTHORITY MAY APPOINT AN EXECUTIVE DIRECTOR AND  
3 COUNSEL, AND ANY OTHER OFFICERS, NONE OF WHOM MAY BE MEMBERS OF THE  
4 AUTHORITY.

5 (2) THE EXECUTIVE DIRECTOR SHALL:

6 (I) SERVE AT THE PLEASURE OF THE AUTHORITY; AND

7 (II) RECEIVE COMPENSATION AS FIXED BY THE AUTHORITY.

8 (3) THE EXECUTIVE DIRECTOR OR OTHER INDIVIDUAL DESIGNATED  
9 BY RESOLUTION OF THE AUTHORITY:

10 (I) SHALL KEEP A RECORD OF THE PROCEEDINGS OF THE  
11 AUTHORITY;

12 (II) SHALL BE THE CUSTODIAN OF ALL BOOKS, DOCUMENTS,  
13 AND PAPERS FILED WITH THE AUTHORITY, INCLUDING THE MINUTES OF THE  
14 AUTHORITY; AND

15 (III) MAY AUTHORIZE COPIES TO BE MADE OF ALL MINUTES AND  
16 OTHER RECORDS AND DOCUMENTS OF THE AUTHORITY AND MAY CERTIFY THAT THE  
17 COPIES ARE TRUE COPIES UNDER THE OFFICIAL SEAL OF THE AUTHORITY.

18 (B) (1) THREE MEMBERS OF THE AUTHORITY SHALL CONSTITUTE A  
19 QUORUM.

20 (2) THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS  
21 PRESENT SHALL BE NECESSARY FOR ANY ACTION TAKEN BY THE AUTHORITY.

22 (C) A VACANCY IN THE MEMBERSHIP OF THE AUTHORITY MAY NOT IMPAIR  
23 THE RIGHT OF A QUORUM TO EXERCISE ALL THE RIGHTS AND PERFORM ALL THE  
24 DUTIES OF THE AUTHORITY.

25 (D) (1) ANY ACTION TAKEN BY THE AUTHORITY UNDER THIS SUBTITLE  
26 MAY BE AUTHORIZED BY RESOLUTION AT ANY REGULAR OR SPECIAL MEETING.

1           **(2) ANY ACTION TAKEN BY THE AUTHORITY UNDER THIS SUBTITLE**  
2 **MAY TAKE EFFECT IMMEDIATELY AND DOES NOT NEED TO BE PUBLISHED.**

3 **18-3106.**

4           **(A) (1) THE AUTHORITY MAY ISSUE BONDS FOR THE PURPOSE OF**  
5 **MAKING ELIGIBLE LOANS AND EDUCATION LOANS.**

6           **(2) BONDS ISSUED UNDER THIS SUBTITLE SHALL BE OBLIGATIONS OF**  
7 **THE MONTGOMERY COUNTY STUDENT LOAN REFINANCING AUTHORITY ONLY AND**  
8 **NOT OF THE COUNTY OR THE STATE.**

9           **(3) THE BONDS AUTHORIZED TO BE ISSUED UNDER THIS SUBTITLE**  
10 **MAY BE ISSUED WITHOUT AN ELECTION REFERENDUM OR ANY PROCEEDINGS OR**  
11 **CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT ARE**  
12 **REQUIRED BY THIS SUBTITLE.**

13           **(B) (1) BONDS ISSUED UNDER THIS SUBTITLE SHALL STATE ON THE FACE**  
14 **OF EACH BOND THAT THEY REPRESENT AND CONSTITUTE AN OBLIGATION OF THE**  
15 **AUTHORITY ONLY, AND DO NOT CONSTITUTE A DEBT OF THE STATE OR ANY**  
16 **POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF**  
17 **THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE.**

18           **(2) BONDS ISSUED UNDER THIS SUBTITLE MAY NOT GRANT TO THE**  
19 **OWNERS OR HOLDERS ANY RIGHT TO HAVE THE AUTHORITY, THE GENERAL**  
20 **ASSEMBLY, OR THE COUNTY COUNCIL LEVY ANY TAXES OR APPROPRIATE ANY**  
21 **FUNDS FOR THE PAYMENT OF PRINCIPAL OR INTEREST.**

22 **18-3107.**

23           **(A) THE AUTHORITY SHALL HAVE ALL THE POWERS NECESSARY OR**  
24 **CONVENIENT TO CARRY OUT THE PURPOSES AND PROVISIONS OF THIS SUBTITLE.**

25           **(B) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS**  
26 **SUBTITLE, THE AUTHORITY MAY:**



- 1           **(1) SUE AND BE SUED, COMPLAIN, AND DEFEND, IN ITS CORPORATE**  
2 **NAME;**
- 3           **(2) ADOPT AN OFFICIAL SEAL;**
- 4           **(3) PURCHASE, TAKE, RECEIVE, LEASE, OR OTHERWISE ACQUIRE,**  
5 **OWN, HOLD, IMPROVE, USE, AND DEAL IN AND WITH, REAL OR PERSONAL PROPERTY;**
- 6           **(4) SELL, CONVEY, MORTGAGE, PLEDGE, LEASE, EXCHANGE,**  
7 **TRANSFER, AND DISPOSE OF ALL OR ANY PART OF ITS PROPERTY AND ASSETS FOR**  
8 **ANY CONSIDERATION AND ON ANY TERMS AND CONDITIONS AS THE AUTHORITY**  
9 **SHALL DETERMINE;**
- 10           **(5) MAKE CONTRACTS AND INCUR LIABILITIES;**
- 11           **(6) BORROW MONEY AT ANY RATE OF INTEREST AS THE AUTHORITY**  
12 **MAY DETERMINE;**
- 13           **(7) LEND MONEY FOR ITS PURPOSES, AND INVEST AND REINVEST**  
14 **AUTHORITY FUNDS;**
- 15           **(8) MAKE AND EXECUTE ALL CONTRACTS, AGREEMENTS, AND**  
16 **INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE POWERS OF**  
17 **THE AUTHORITY GRANTED BY THIS SUBTITLE;**
- 18           **(9) CONDUCT AUTHORITY ACTIVITIES AND OPERATIONS;**
- 19           **(10) ELECT, APPOINT, OR EMPLOY OFFICERS AND AGENTS OF THE**  
20 **AUTHORITY, DEFINE THEIR DUTIES, AND FIX THEIR COMPENSATION; AND**
- 21           **(11) MAKE AND ALTER BYLAWS THAT ARE NOT INCONSISTENT WITH**  
22 **THIS SUBTITLE.**

23 **18-3108.**

24           **(A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS**  
25 **SUBTITLE, THE AUTHORITY MAY:**

1           **(1) LEND MONEY TO STUDENTS AND PARENTS OF STUDENTS FOR THE**  
2 **PURPOSE OF ASSISTING THE STUDENTS IN OBTAINING AN EDUCATION AT AN**  
3 **ELIGIBLE INSTITUTION, INCLUDING:**

4           **(I) REFINANCING OR CONSOLIDATING OBLIGATIONS**  
5 **PREVIOUSLY INCURRED BY A STUDENT OR A PARENT WITH OTHER LENDING**  
6 **SOURCES; AND**

7           **(II) PARTICIPATING IN LOANS TO STUDENTS OR PARENTS WITH**  
8 **OTHER LENDING SOURCES;**

9           **(2) MAKE, ACQUIRE, TAKE, OR PURCHASE ELIGIBLE LOANS AND**  
10 **EDUCATION LOANS WITH THE PROCEEDS OF BONDS OR NOTES OR ANY OTHER FUNDS**  
11 **OF THE AUTHORITY, IN ANY AMOUNT, AT ANY PRICE, AND ON ANY TERMS AND**  
12 **CONDITIONS AS THE AUTHORITY MAY DETERMINE;**

13           **(3) SELL ELIGIBLE LOANS HELD BY THE AUTHORITY TO**  
14 **GOVERNMENTAL OR PRIVATE FINANCIAL INSTITUTIONS, IN ANY AMOUNT, AT ANY**  
15 **PRICE, AND ON ANY TERMS AND CONDITIONS AS THE AUTHORITY MAY DETERMINE;**

16           **(4) BORROW FROM GOVERNMENTAL OR PRIVATE FINANCIAL**  
17 **INSTITUTIONS AGAINST THE SECURITY OF ELIGIBLE LOANS HELD BY THE**  
18 **AUTHORITY, IN ANY AMOUNT, AT ANY PRICE, AND ON ANY TERMS AND CONDITIONS**  
19 **AS THE AUTHORITY MAY DETERMINE;**

20           **(5) BORROW MONEY AND ISSUE BONDS AND NOTES;**

21           **(6) PROVIDE FOR THE RIGHTS OF THE HOLDERS OF BONDS AND**  
22 **NOTES AND TO SECURE THE BONDS AND NOTES BY ASSIGNMENT, PLEDGE, OR**  
23 **GRANTING OF A SECURITY INTEREST IN AUTHORITY PROPERTY, INCLUDING THE**  
24 **AUTHORITY'S INTEREST IN ELIGIBLE LOANS, EDUCATION LOANS, OR AGREEMENTS**  
25 **WITH ELIGIBLE INSTITUTIONS, FOR THE PURPOSE OF PROVIDING FUNDS TO CARRY**  
26 **OUT ITS PURPOSES UNDER THIS SUBTITLE;**

27           **(7) CONTRACT FOR AND ACCEPT ANY GIFTS, GRANTS, LOANS, FUNDS,**  
28 **REAL OR PERSONAL PROPERTY, OR FINANCIAL OR OTHER ASSISTANCE IN ANY FORM**  
29 **FROM THE UNITED STATES OR THE STATE OR ANY AGENCY OR INSTRUMENTALITY**  
30 **OF THE UNITED STATES OR THE STATE;**

1           **(8) SUBJECT TO A CONTRACT WITH THE HOLDERS OF AUTHORITY**  
2 **BONDS OR NOTES, OR A CONTRACT WITH THE RECIPIENT OF AN ELIGIBLE LOAN,**  
3 **CONSENT TO THE MODIFICATION OF ANY TERM OF A BOND, NOTE, CONTRACT, OR**  
4 **AGREEMENT BETWEEN THE AUTHORITY AND THE RECIPIENT OR MAKER OF A BOND,**  
5 **NOTE, CONTRACT, OR AGREEMENT;**

6           **(9) PROCURE INSURANCE OF EVERY NATURE OR TO ENTER INTO**  
7 **AGREEMENTS WITH ELIGIBLE INSTITUTIONS TO PROTECT THE AUTHORITY AGAINST**  
8 **LOSSES THAT MAY BE INCURRED IN CONNECTION WITH ITS PROPERTY, ASSETS,**  
9 **ACTIVITIES, OR THE EXERCISE OF THE POWERS GRANTED UNDER THIS SUBTITLE;**

10           **(10) ENGAGE THE SERVICES AND FIX THE COMPENSATION OF**  
11 **CONSULTANTS ON A CONTRACTUAL BASIS FOR RENDERING PROFESSIONAL AND**  
12 **TECHNICAL ASSISTANCE AND ADVICE;**

13           **(11) EMPLOY ATTORNEYS, ACCOUNTANTS, FINANCIAL EXPERTS, AND**  
14 **ANY OTHER ADVISERS, CONSULTANTS, AND AGENTS THAT MAY BE NECESSARY IN**  
15 **THE JUDGMENT OF THE AUTHORITY;**

16           **(12) ESTABLISH CRITERIA FOR INDIVIDUALS TO BE ELIGIBLE FOR**  
17 **FINANCIAL ASSISTANCE FROM THE AUTHORITY, INCLUDING RESIDENCY**  
18 **REQUIREMENTS AND CRITERIA FOR ENROLLMENT AND SATISFACTORY PROGRESS**  
19 **AT A POSTSECONDARY INSTITUTION;**

20           **(13) ESTABLISH CRITERIA FOR INDIVIDUALS WHO ARE EMPLOYED IN**  
21 **PUBLIC SERVICE POSITIONS, AS DETERMINED BY THE AUTHORITY, TO BE ELIGIBLE**  
22 **FOR FINANCIAL ASSISTANCE FROM THE AUTHORITY;**

23           **(14) SET AND COLLECT FEES AND CHARGES IN CONNECTION WITH THE**  
24 **AUTHORITY'S ELIGIBLE LOANS, COMMITMENTS, AND SERVICING, INCLUDING:**

25                   **(I) REIMBURSEMENT OF THE COSTS OF FINANCING BY THE**  
26 **AUTHORITY;**

27                   **(II) SERVICE CHARGES;**

28                   **(III) INSURANCE PREMIUMS; AND**

1                   **(IV) COSTS INCURRED BY THE AUTHORITY IN CARRYING OUT ITS**  
2 **CORPORATE PURPOSES; AND**

3                   **(15) CREATE AND ESTABLISH ANY OTHER FUNDS THAT MAY BE**  
4 **NECESSARY FOR ITS CORPORATE PURPOSES.**

5                   **(B) THE AUTHORITY MAY ADOPT REGULATIONS NECESSARY TO CARRY OUT**  
6 **THE PURPOSES OF THIS SUBTITLE, INCLUDING REGULATIONS THAT:**

7                   **(1) ENSURE COMPLIANCE BY THE AUTHORITY WITH THE**  
8 **REQUIREMENTS IMPOSED BY STATUTES OR REGULATIONS GOVERNING THE**  
9 **GUARANTY, INSURANCE, PURCHASE, OR OTHER DEALING IN ELIGIBLE LOANS BY**  
10 **FEDERAL AGENCIES, INSTRUMENTALITIES, OR CORPORATIONS;**

11                   **(2) SET STANDARDS OF ELIGIBILITY FOR EDUCATIONAL**  
12 **INSTITUTIONS, STUDENTS, AND LENDERS AND TO DEFINE ALL OTHER TERMS AS THE**  
13 **AUTHORITY DETERMINES NECESSARY TO CARRY OUT THE PURPOSES OF THIS**  
14 **SUBTITLE;**

15                   **(3) ESTABLISH A METHOD FOR ENFORCING THE REGULATIONS OF**  
16 **THE AUTHORITY; AND**

17                   **(4) ESTABLISH PENALTIES FOR VIOLATIONS OF ANY REGULATION OF**  
18 **THE AUTHORITY.**

19 **18-3109.**

20                   **(A) THE AUTHORITY IS AUTHORIZED TO ISSUE NEGOTIABLE BONDS AND**  
21 **NOTES IN ONE OR MORE SERIES IN ANY PRINCIPAL AMOUNTS AS THE AUTHORITY**  
22 **DETERMINES NECESSARY TO PROVIDE SUFFICIENT FUNDS FOR ACHIEVING ITS**  
23 **PURPOSES, INCLUDING:**

24                   **(1) THE PAYMENT OF INTEREST ON BONDS AND NOTES OF THE**  
25 **AUTHORITY;**

26                   **(2) THE ESTABLISHMENT OF RESERVES TO SECURE BONDS AND**  
27 **NOTES OF THE AUTHORITY; AND**

1                   **(3) THE MAKING OF ALL OTHER EXPENDITURES OF THE AUTHORITY**  
2 **NECESSARY OR CONVENIENT FOR CARRYING OUT ITS CORPORATE PURPOSES AND**  
3 **POWERS.**

4           **(B) ALL BONDS AND NOTES ISSUED BY THE AUTHORITY MAY BE:**

5                   **(1) SECURED BY THE FULL FAITH AND CREDIT OF THE AUTHORITY;**  
6 **OR**

7                   **(2) PAYABLE SOLELY OUT OF REVENUES AND RECEIPTS DERIVED**  
8 **FROM:**

9                           **(I) THE PLEDGE OR ASSIGNMENT OF, GRANT OF SECURITY**  
10 **INTEREST IN, OR SALE OF ELIGIBLE LOANS OR EDUCATION LOANS OWNED BY THE**  
11 **AUTHORITY;**

12                           **(II) REPAYMENT OF ANY ELIGIBLE LOANS OR EDUCATION**  
13 **LOANS MADE BY THE AUTHORITY;**

14                           **(III) UNDISBURSED PROCEEDS OF THE BONDS OR NOTES;**

15                           **(IV) GUARANTY PAYMENTS OF PRINCIPAL AND INTEREST ON**  
16 **ELIGIBLE LOANS;**

17                           **(V) INTEREST SUBSIDY PAYMENTS OR INVESTMENT EARNINGS;**  
18 **OR**

19                           **(VI) ANY OTHER FORM OF SECURITY AVAILABLE TO THE**  
20 **AUTHORITY FOR THIS PURPOSE.**

21           **(C) AS DETERMINED BY THE AUTHORITY, BONDS AND NOTES OF THE**  
22 **AUTHORITY MAY BE:**

23                   **(1) EXECUTED AND DELIVERED BY THE AUTHORITY AT ANY TIME;**

24                   **(2) IN ANY FORM, DENOMINATION, TENOR, AND MATURITY;**

1           **(3) IN BEARER FORM OR IN REGISTERED FORM; OR**

2           **(4) IN PRINCIPAL AND INTEREST OR IN PRINCIPAL ALONE.**

3           **(D) BONDS MAY BE PAYABLE IN ANY INSTALLMENTS AS DETERMINED BY**  
4 **THE AUTHORITY, BUT MAY NOT EXCEED 30 YEARS FROM THE DATE OF ISSUE.**

5           **(E) NOTES AND ANY RENEWALS OF NOTES MAY BE PAYABLE IN ANY**  
6 **INSTALLMENTS AS DETERMINED BY THE AUTHORITY, BUT MAY NOT EXCEED 10**  
7 **YEARS FROM THE DATE OF ISSUE.**

8 **18-3110.**

9           **(A) BONDS AND NOTES ISSUED BY THE AUTHORITY MAY:**

10           **(1) BE PAYABLE AT ANY PLACE;**

11           **(2) BEAR INTEREST AT ANY RATE PAYABLE AT ANY TIME AND AT ANY**  
12 **PLACE AND EVIDENCED IN ANY MANNER; AND**

13           **(3) CONTAIN ANY PROVISIONS NOT INCONSISTENT WITH THIS**  
14 **SECTION.**

15           **(B) THE AUTHORITY MAY RETAIN AN OPTION TO REDEEM ALL OR ANY PART**  
16 **OF BONDS OR NOTES OF THE AUTHORITY AT ANY PRICE AND ON ANY NOTICE, AND**  
17 **ON ANY FURTHER TERMS AND CONDITIONS, WHICH SHALL BE SET FORTH ON THE**  
18 **FACE OF THE BONDS OR NOTES ISSUED BY THE AUTHORITY.**

19           **(C) (1) ANY BONDS OR NOTES OF THE AUTHORITY MAY BE SOLD AT ANY**  
20 **PRICE, AT PUBLIC OR PRIVATE SALE, AND IN ANY MANNER AS SHALL BE**  
21 **DETERMINED BY THE AUTHORITY.**

22           **(2) THE AUTHORITY SHALL PAY ALL EXPENSES, PREMIUMS, AND**  
23 **COMMISSIONS AS IT SHALL DETERMINE NECESSARY OR ADVANTAGEOUS IN**  
24 **CONNECTION WITH THE ISSUANCE AND SALE OF BONDS OR NOTES OF THE**  
25 **AUTHORITY.**

1           **(D) MONEY OF THE AUTHORITY, INCLUDING ALL REVENUES, RECEIPTS,**  
2 **PROCEEDS, PAYMENTS, OR EARNINGS LISTED IN § 18-3109(B) OF THIS SUBTITLE**  
3 **MAY BE INVESTED AND REINVESTED IN ANY OBLIGATIONS, SECURITIES, AND OTHER**  
4 **INVESTMENTS CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE AS SHALL BE**  
5 **SPECIFIED IN THE RESOLUTIONS UNDER WHICH THE BONDS OR NOTES ARE**  
6 **AUTHORIZED.**

7           **(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ISSUANCE BY**  
8 **THE AUTHORITY OF ONE OR MORE SERIES OF BONDS OR NOTES FOR ONE OR MORE**  
9 **PURPOSES MAY NOT PRECLUDE THE AUTHORITY FROM ISSUING OTHER BONDS OR**  
10 **NOTES FOR THE SAME PURPOSE.**

11           **(2) THE PROCEEDINGS WHERE ANY SUBSEQUENT BONDS OR NOTES**  
12 **MAY BE ISSUED SHALL RECOGNIZE AND PROTECT A PRIOR PLEDGE OR MORTGAGE**  
13 **MADE FOR A PRIOR ISSUE OF BONDS OR NOTES UNLESS IN THE PROCEEDINGS**  
14 **AUTHORIZING THE PRIOR ISSUE THE RIGHT IS RESERVED TO ISSUE SUBSEQUENT**  
15 **BONDS OR NOTES ON A PARITY WITH THE PRIOR ISSUE.**

16 **18-3111.**

17           **(A) (1) THE AUTHORITY IS AUTHORIZED TO ISSUE BONDS OR NOTES FOR**  
18 **THE PURPOSE OF REFUNDING ITS BONDS OR NOTES OUTSTANDING, INCLUDING:**

19                   **(I) THE PAYMENT OF ANY REDEMPTION PREMIUM ON THE**  
20 **BONDS OR NOTES AND ANY INTEREST ACCRUED; OR**

21                   **(II) TO ACCRUE TO THE EARLIEST OR SUBSEQUENT DATE OF**  
22 **REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS OR NOTES.**

23           **(2) (I) THE PROCEEDS OF BONDS OR NOTES ISSUED FOR THE**  
24 **PURPOSE OF REFUNDING OUTSTANDING BONDS OR NOTES MAY BE APPLIED, IN THE**  
25 **DISCRETION OF THE AUTHORITY, TO THE PURCHASE, RETIREMENT AT MATURITY,**  
26 **OR REDEMPTION OF THE OUTSTANDING BONDS OR NOTES.**

27                   **(II) REDEMPTION OF OUTSTANDING BONDS MAY OCCUR EITHER**  
28 **ON THE EARLIEST REDEMPTION DATE OR ON A SUBSEQUENT REDEMPTION DATE**  
29 **AND MAY BE PLACED IN ESCROW.**

1           **(B) (1) ESCROWED PROCEEDS MAY BE:**

2                   **(I) INVESTED AND REINVESTED IN OBLIGATIONS OF OR**  
3 **GUARANTEED BY THE UNITED STATES, OR IN CERTIFICATES OF DEPOSIT OR TIME**  
4 **DEPOSITS OR REPURCHASE AGREEMENTS;**

5                   **(II) FULLY SECURED OR GUARANTEED BY THE STATE OR THE**  
6 **UNITED STATES, OR AN INSTRUMENTALITY OF THE STATE OR THE UNITED STATES;**  
7 **AND**

8                   **(III) MATURE AT ANY TIME AS SHALL BE APPROPRIATE TO**  
9 **ASSURE THE PROMPT PAYMENT, AS TO PRINCIPAL, INTEREST, AND REDEMPTION**  
10 **PREMIUM, OF THE OUTSTANDING BONDS OR NOTES TO BE REFUNDED.**

11           **(2) THE INTEREST, INCOME, AND PROFITS EARNED OR REALIZED ON**  
12 **THE INVESTMENT OF ESCROW PROCEEDS MAY ALSO BE APPLIED TO THE PAYMENT**  
13 **OF THE OUTSTANDING BONDS OR NOTES TO BE REFUNDED.**

14           **(3) AFTER THE TERMS OF THE ESCROW HAVE BEEN FULLY SATISFIED**  
15 **AND CARRIED OUT, ANY BALANCE OF THE PROCEEDS AND INTEREST, INCOME, AND**  
16 **PROFITS EARNED OR REALIZED ON THE INVESTMENTS OF ESCROW PROCEEDS MAY**  
17 **BE RETURNED TO THE AUTHORITY TO BE USED TO CARRY OUT ITS PURPOSES.**

18           **(4) ALL BONDS OR NOTES ISSUED UNDER THIS SECTION SHALL BE**  
19 **SUBJECT TO THE PROVISIONS OF THIS SUBTITLE IN THE MANNER AND TO THE SAME**  
20 **EXTENT AS ANY OTHER BONDS OR NOTES ISSUED IN ACCORDANCE WITH THIS**  
21 **SUBTITLE.**

22           **(C) THE DIRECTORS, OFFICERS OF THE AUTHORITY, AND OTHER PERSONS**  
23 **EXECUTING THE BONDS MAY NOT BE SUBJECT TO PERSONAL LIABILITY OR**  
24 **ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.**

25           **(D) BONDS OR NOTES MAY BE ISSUED UNDER THE PROVISIONS OF THIS**  
26 **SUBTITLE:**

27                   **(1) WITHOUT OBTAINING THE CONSENT OF THE STATE OR ANY**  
28 **INSTRUMENTALITY OF THE STATE; AND**



1           **(2) WITHOUT ANY OTHER PROCEEDINGS OR CONDITIONS OTHER**  
2 **THAN THOSE PROCEEDINGS OR CONDITIONS WHICH ARE SPECIFICALLY REQUIRED**  
3 **BY THIS SUBTITLE AND BY THE PROVISIONS OF THE RESOLUTION AUTHORIZING THE**  
4 **ISSUANCE OF THE BONDS OR NOTES OR THE TRUST AGREEMENT SECURING THE**  
5 **BOND ISSUANCE.**

6           **(E) SUBJECT TO ANY AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS**  
7 **AS MAY BE IN EFFECT, THE AUTHORITY SHALL HAVE THE POWER TO PURCHASE**  
8 **BONDS OR NOTES AND SUBSEQUENTLY CANCEL THE BONDS OR NOTES AT A PRICE**  
9 **NOT EXCEEDING:**

10           **(1) IF THE BONDS OR NOTES ARE REDEEMABLE AT THE TIME OF THE**  
11 **CANCELLATION, THE REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED**  
12 **INTEREST TO THE NEXT INTEREST PAYMENT DATE; OR**

13           **(2) IF THE BONDS OR NOTES ARE NOT REDEEMABLE AT THE TIME OF**  
14 **THE CANCELLATION, THE REDEMPTION PRICE APPLICABLE ON THE EARLIEST DATE**  
15 **THAT THE BONDS OR NOTES BECOME SUBJECT TO REDEMPTION, PLUS THE**  
16 **INTEREST THAT WOULD HAVE ACCRUED TO THAT DATE.**

17           **(F) REGARDLESS OF WHETHER THE BONDS AND NOTES OF THE AUTHORITY**  
18 **ARE OF THE FORM AND CHARACTER AS TO BE NEGOTIABLE INSTRUMENTS UNDER**  
19 **THE TERMS OF THE MARYLAND UNIFORM COMMERCIAL CODE, THE BONDS AND**  
20 **NOTES ARE MADE NEGOTIABLE INSTRUMENTS WITHIN THE MEANING OF AND FOR**  
21 **ALL OF THE PURPOSES OF THE MARYLAND UNIFORM COMMERCIAL CODE, SUBJECT**  
22 **ONLY TO THE PROVISIONS OF THE BONDS AND NOTES FOR REGISTRATION.**

23           **(G) IF A DIRECTOR OR OFFICER OF THE AUTHORITY WHOSE SIGNATURE**  
24 **APPEARS ON THE BONDS, NOTES, OR COUPONS SHALL CEASE TO BE A DIRECTOR OR**  
25 **OFFICER BEFORE THE DELIVERY OF THE BONDS OR NOTES, THE SIGNATURE SHALL**  
26 **BE VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE DIRECTOR OR OFFICER**  
27 **HAD REMAINED IN OFFICE UNTIL THE DELIVERY.**

28 **18-3112.**

29           **(A) THE PRINCIPAL OF AND INTEREST ON ANY BONDS OR NOTES ISSUED BY**  
30 **THE AUTHORITY MAY BE:**

1           **(1) SECURED BY A PLEDGE OR ASSIGNMENT OF ANY REVENUES,**  
2 **RECEIPTS, OR ASSETS OF THE AUTHORITY; AND**

3           **(2) SECURED BY A SECURITY INTEREST OR OTHER INSTRUMENT**  
4 **COVERING ALL OR ANY PART OF ONE OR MORE ELIGIBLE LOANS OR EDUCATION**  
5 **LOANS MADE OR ACQUIRED BY THE AUTHORITY IN ACCORDANCE WITH THE**  
6 **PROVISIONS OF THIS SUBTITLE.**

7           **(B) THE RESOLUTION UNDER WHICH THE BONDS OR NOTES ARE**  
8 **AUTHORIZED TO BE ISSUED AND ANY SECURITY INTEREST OR OTHER INSTRUMENT**  
9 **MAY CONTAIN:**

10           **(1) AGREEMENTS AND PROVISIONS REGARDING THE SERVICING OF**  
11 **THE LOANS COVERED BY THE RESOLUTION;**

12           **(2) COLLECTION OF PAYMENTS OR REPAYMENTS OR OTHER**  
13 **REVENUES FROM THE BONDS OR NOTES;**

14           **(3) CREATION AND MAINTENANCE OF SPECIAL FUNDS FROM THE**  
15 **REVENUES COLLECTED; AND**

16           **(4) RIGHTS AND REMEDIES AVAILABLE IN THE EVENT OF DEFAULT.**

17           **(C) EACH PLEDGE, ASSIGNMENT, AGREEMENT, SECURITY INTEREST, OR**  
18 **OTHER INSTRUMENT MADE FOR THE BENEFIT OR SECURITY OF ANY OF THE BONDS**  
19 **OR NOTES OF THE AUTHORITY SHALL CONTINUE IN EFFECT UNTIL:**

20           **(1) THE PRINCIPAL OF AND INTEREST ON THE BONDS OR NOTES FOR**  
21 **THE BENEFIT OF WHICH THE PLEDGE OR SECURITY AGREEMENT WAS MADE IS FULLY**  
22 **PAID; OR**

23           **(2) PAYMENT IS MADE IN THE MANNER PROVIDED IN THE**  
24 **RESOLUTION UNDER WHICH THE BONDS OR NOTES WERE AUTHORIZED.**

25           **(D) (1) ANY PLEDGE MADE BY THE AUTHORITY SHALL BE VALID AND**  
26 **BINDING FROM THE TIME THE PLEDGE IS MADE.**

1           **(2) MONEY OR PROPERTY PLEDGED AND RECEIVED AFTER THE**  
2 **PLEDGE BY THE AUTHORITY SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF THE**  
3 **PLEDGE WITHOUT PHYSICAL DELIVERY OR FURTHER ACTION.**

4           **(3) THE LIEN OF THE PLEDGE SHALL BE VALID AND BINDING AGAINST**  
5 **ALL PARTIES HAVING A CLAIM IN TORT, CONTRACT, OR AGAINST THE AUTHORITY,**  
6 **WHETHER OR NOT THE PARTIES HAVE NOTICE OF THE CLAIM.**

7           **(4) THE RESOLUTION AND ANY INSTRUMENT BY WHICH A PLEDGE IS**  
8 **CREATED DOES NOT NEED TO BE RECORDED.**

9           **(E) ANY RESOLUTION UNDER WHICH BONDS OR NOTES OF AUTHORITY ARE**  
10 **AUTHORIZED TO BE ISSUED, AND ANY TRUST INDENTURE ESTABLISHED BY THE**  
11 **RESOLUTION, MAY CONTAIN PROVISIONS FOR VESTING IN A TRUSTEE ANY**  
12 **PROPERTIES, RIGHTS, POWERS, AND DUTIES IN TRUST AS THE AUTHORITY MAY**  
13 **DETERMINE.**

14 **18-3113.**

15           **(A) ALL MONEY RECEIVED IN ACCORDANCE WITH THIS SUBTITLE SHALL BE**  
16 **TRUST FUNDS TO BE HELD AND APPLIED SOLELY AS PROVIDED IN THE**  
17 **PROCEEDINGS UNDER WHICH THE BONDS OR NOTES ARE AUTHORIZED.**

18           **(B) ANY OFFICER WITH WHOM, OR ANY BANK OR TRUST COMPANY WITH**  
19 **WHICH, ANY MONEY SHALL BE DEPOSITED AS TRUSTEE OF THE MONEY SHALL HOLD**  
20 **AND APPLY THE MONEY FOR ITS PURPOSES, SUBJECT TO THE APPLICABLE**  
21 **PROVISIONS OF THIS SUBTITLE, THE PROCEEDINGS AUTHORIZING THE BONDS OR**  
22 **NOTES, AND THE TRUST AGREEMENT SECURING THOSE BONDS OR NOTES.**

23 **18-3114.**

24           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE**  
25 **AUTHORITY, ITS PROPERTY, MONEY, BONDS, OR NOTES ISSUED UNDER THE**  
26 **PROVISIONS OF THIS SUBTITLE, AND THE INCOME, INCLUDING GAIN FROM SALE OR**  
27 **EXCHANGE, SHALL AT ALL TIMES BE FREE FROM TAXATION OF EVERY KIND BY THE**  
28 **STATE AND BY THE MUNICIPALITIES AND ALL POLITICAL SUBDIVISIONS OF THE**  
29 **STATE.**

1           **(B) THE PROPERTY AND INCOME DESCRIBED UNDER SUBSECTION (A) OF**  
2 **THIS SECTION SHALL BE SUBJECT TO ESTATE, INHERITANCE, AND GIFT TAXES.**

3 **18-3115.**

4           **ALL BANKS, BANKERS, TRUST COMPANIES, SAVINGS BANKS AND**  
5 **INSTITUTIONS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES,**  
6 **INSURANCE COMPANIES AND ASSOCIATIONS, ALL EXECUTORS, ADMINISTRATORS,**  
7 **GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY**  
8 **SINKING FUNDS, MONEY, OR OTHER FUNDS WITHIN THEIR CONTROL IN ANY BONDS**  
9 **ISSUED UNDER THIS SUBTITLE.**

10 **18-3116.**

11           **(A) THE STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF ANY**  
12 **BONDS OR NOTES ISSUED UNDER THIS SUBTITLE THAT THE STATE WILL NOT LIMIT**  
13 **OR ALTER THE RIGHTS VESTED IN THE AUTHORITY TO FULFILL THE TERMS OF ANY**  
14 **AGREEMENTS MADE WITH THE HOLDERS UNTIL THE BONDS OR NOTES AND**  
15 **INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR**  
16 **PROCEEDING BY OR ON BEHALF OF THE BOND OR NOTE HOLDERS ARE FULLY MET**  
17 **AND DISCHARGED.**

18           **(B) THE AUTHORITY IS AUTHORIZED TO INCLUDE THIS PLEDGE AND**  
19 **AGREEMENT OF THE STATE IN ANY AGREEMENT WITH THE HOLDERS OF THE BONDS**  
20 **OR NOTES.**

21 **18-3117.**

22           **(A) OBLIGATIONS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE**  
23 **SHALL BE PAYABLE SOLELY FROM THE REVENUES OR ASSETS OF THE AUTHORITY.**

24           **(B) OBLIGATIONS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE:**

25                   **(1) MAY NOT CONSTITUTE A DEBT, A LIABILITY, OR AN OBLIGATION**  
26 **OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE, OTHER THAN THE**  
27 **AUTHORITY; AND**

1           **(2) ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR**  
2 **ANY POLITICAL SUBDIVISION OTHER THAN THE AUTHORITY.**

3           **(C) EACH OBLIGATION ISSUED UNDER THIS SUBTITLE SHALL CONTAIN ON**  
4 **ITS FACE A STATEMENT THAT:**

5           **(1) THE AUTHORITY MAY NOT BE OBLIGATED TO PAY THE**  
6 **OBLIGATION OR ITS INTEREST EXCEPT FROM REVENUES OR ASSETS PLEDGED FOR**  
7 **THE OBLIGATION; AND**

8           **(2) NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF**  
9 **THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE**  
10 **AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST**  
11 **ON THE OBLIGATION.**

12 **18-3118.**

13           **THE AUTHORITY IS AUTHORIZED TO ACCEPT ANY MONEY AS MAY BE**  
14 **APPROPRIATED BY THE GENERAL ASSEMBLY TO CARRY OUT THE AUTHORITY'S**  
15 **CORPORATE PURPOSES INCLUDING:**

16           **(1) THE PAYMENT OF THE INITIAL EXPENSES OF ADMINISTRATION**  
17 **AND OPERATION; AND**

18           **(2) THE ESTABLISHMENT OF RESERVES OR CONTINGENCY FUNDS TO**  
19 **BE AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON ANY**  
20 **BONDS, NOTES, OR OTHER OBLIGATIONS OF THE AUTHORITY.**

21 **18-3119.**

22           **(A) (1) THE AUTHORITY SHALL KEEP FULL AND ACCURATE ACCOUNTS OF**  
23 **ITS ACTIVITIES AND OPERATIONS AND, ON OR BEFORE DECEMBER 31 EACH YEAR,**  
24 **SHALL REPORT TO THE COUNTY EXECUTIVE, THE COUNTY COUNCIL, AND, IN**  
25 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**  
26 **ASSEMBLY.**

27           **(2) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND**  
28 **FINANCIAL STATEMENT FOR THE PRECEDING FISCAL YEAR.**

1           **(B) (1) THE AUTHORITY SHALL CAUSE AN AUDIT OF ITS BOOKS AND**  
2 **ACCOUNTS TO BE MADE AT LEAST ONCE EACH YEAR BY INDEPENDENT CERTIFIED**  
3 **PUBLIC ACCOUNTANTS.**

4           **(2) THE COST OF THE AUDIT SHALL BE PAID BY THE AUTHORITY**  
5 **FROM FUNDS AVAILABLE TO THE AUTHORITY IN ACCORDANCE WITH THIS SUBTITLE.**

6           **(3) THE AUDIT REQUIRED UNDER THIS SUBSECTION SHALL BE**  
7 **CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**  
8 **BY AN INDEPENDENT AUDITOR, WHO IS A CERTIFIED PUBLIC ACCOUNTANT AND WHO**  
9 **IS IN GOOD STANDING UNDER THE LAWS OF THE STATE OR A CERTIFIED**  
10 **ACCOUNTING FIRM.**

11 **18-3120.**

12           **IF ANY PROVISIONS OF THIS SUBTITLE ARE INCONSISTENT WITH THE**  
13 **PROVISIONS OF ANY OTHER LAW OR ORDINANCE, THE PROVISIONS OF THIS**  
14 **SUBTITLE SHALL BE CONTROLLING.**

15 **18-3121.**

16           **(A) NOTHING CONTAINED IN THIS SUBTITLE SHALL RESTRICT OR LIMIT THE**  
17 **POWERS OF THE AUTHORITY ARISING UNDER ANY LAWS OF THE STATE.**

18           **(B) THE ISSUANCE OF ALL BONDS, NOTES, AND OTHER OBLIGATIONS OF**  
19 **THE AUTHORITY UNDER THE PROVISIONS OF THIS SUBTITLE NEED NOT COMPLY**  
20 **WITH THE REQUIREMENTS OF ANY OTHER STATUTE APPLICABLE TO THE ISSUANCE**  
21 **OF BONDS, NOTES, OR OTHER OBLIGATIONS.**

22           **(C) EXCEPT AS PROVIDED IN THIS SUBTITLE, NO PROCEEDINGS OR NOTICE**  
23 **OF APPROVAL SHALL BE REQUIRED FOR THE ISSUANCE OF ANY BONDS, NOTES, AND**  
24 **OTHER OBLIGATIONS OR ANY INSTRUMENTS OF SECURITY.**

25 **18-3122.**

1           **(A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE**  
2 **WELFARE OF THE RESIDENTS OF MONTGOMERY COUNTY AND THE STATE, SHALL BE**  
3 **LIBERALLY CONSTRUED TO EFFECT ITS PURPOSES.**

4           **(B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE, AND IF ANY OF**  
5 **THE PROVISIONS ARE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT**  
6 **JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF**  
7 **THE REMAINING PROVISIONS.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2016.