

hereof or of said bonds, be deemed to be negotiable instruments, and shall have and possess all the attributes of negotiable instruments, under the laws of this State. All bonds issued pursuant to the authority of this Act, their transfer and the income therefrom shall at all times be free from taxation by the State of Maryland or by any of its political subdivisions or by any town or municipal corporation or by any other public agency of the State of Maryland.

SEC. 4. *And be it further enacted*, That from the actual proceeds of sale of any issue of said bonds there shall first be paid the cost of preparing the same, and all other outlays and expenses incurred by the County Commissioners in connection with the issue of said bonds. In addition there shall be deducted from said proceeds all amounts received on account of accrued interest which shall be set apart by the County Treasurer for application on account of the first maturing interest liability on said bonds, and in addition said County Treasurer shall set apart any premium received on the sale of any issue of said bonds which shall be used for the purpose of paying the principal thereof at maturity or on prior redemption. The entire balance of said proceeds shall be retained by the County Treasurer until needed to pay for the purposes specified in Section 1 hereof. Said payments for the aforesaid purposes, and for no other purposes, shall be made from time to time by the County Treasurer to the Board of Education of St. Mary's County upon the order of the County Commissioners of St. Mary's County. Said County Commissioners shall not issue any such order except upon written notification from said Board of Education that in its best judgment and discretion an expenditure for any of the aforesaid purposes is necessary, such notification setting forth the approximate amount of each expenditure and the specific use to be made of it. Said Board of Education shall receive and expend the money so paid to it only for the purposes authorized by Section 1 hereof, and said Board shall account for said money so paid to it and the expenditures thereof in the same manner as it accounts for other moneys passing through its hands.

SEC. 5. *And be it further enacted*, That for the purpose of paying the maturing principal of and interest on any bonds issued pursuant to the authority of this Act, and for the purpose of redeeming said bonds prior to their respective maturities, the County Commissioners of St. Mary's County shall levy annually upon all property within the corporate limits of said County, assessable for unlimited taxation, ad valorem taxes in rate and amount sufficient to provide for said purposes. In the event any such issue of bonds are sold as term bonds, payable all at one time, said County Commissioners of St. Mary's County shall, by the resolution authorizing said bonds, establish a sinking fund in the custody and control of the County Treasurer, and thereafter said County shall annually levy the ad valorem taxes above prescribed in rate and amount sufficient to pay the interest on said bonds, due in each year, and sufficient to pay into such sinking fund or increments thereon, will be sufficient to provide for the payment in full of the principal of said term bonds at maturity. In addition, the County Commissioners of St. Mary's County is hereby authorized and empowered to utilize for the payment of any such principal and interest any part not previously pledged of any moneys received by the Board of Education of St. Mary's County from the State of Maryland under the provisions of Section 222 of Article 77