

CF HB 1265

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**By: Senators Munson and Derr**

Introduced and read first time: February 25, 1997

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

**2 Creation of a State Debt - Washington County - Town of Hancock - Community Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$75,000, the  
4 proceeds to be used as a grant to the Town of Hancock for certain acquisition,  
5 development, or improvement purposes; providing for disbursement of the loan  
6 proceeds, subject to a requirement that the grantee provide and expend a matching  
7 fund; and providing generally for the issuance and sale of bonds evidencing the  
8 loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on  
12 behalf of the State of Maryland through a State loan to be known as the Washington  
13 County - Town of Hancock - Community Center Loan of 1997 in a total principal amount  
14 equal to the lesser of (i) \$75,000 or (ii) the amount of the matching fund provided in  
15 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
16 and delivery of State general obligation bonds authorized by a resolution of the Board of  
17 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124  
18 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

19 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
20 single issue or may be consolidated and sold as part of a single issue of bonds under §  
21 8-122 of the State Finance and Procurement Article.

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
23 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
24 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
25 the books of the Comptroller and expended, on approval by the Board of Public Works,  
26 for the following public purposes, including any applicable architects' and engineers' fees:  
27 as a grant to the Town of Hancock (referred to hereafter in this Act as "the grantee") for  
28 the provision of capital equipment for a community center, located in the Town Hall.

29 (4) An annual State tax is imposed on all assessable property in the State in rate  
30 and amount sufficient to pay the principal of and interest on the bonds, as and when due  
31 and until paid in full. The principal shall be discharged within 15 years after the date of  
32 issuance of the bonds.

1           (5) Prior to the payment of any funds under the provisions of this Act for the  
2 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
3 fund. No part of the grantee's matching fund may be provided, either directly or  
4 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
5 the fund may consist of real property or in kind contributions. The matching fund may  
6 consist of funds expended prior to the effective date of this Act. In case of any dispute as  
7 to the amount of the matching fund or what money or assets may qualify as matching  
8 funds, the Board of Public Works shall determine the matter and the Board's decision is  
9 final. The grantee has until June 1, 1999, to present evidence satisfactory to the Board of  
10 Public Works that a matching fund will be provided. If satisfactory evidence is presented,  
11 the Board shall certify this fact and the amount of the matching fund to the State  
12 Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall  
13 be expended for the purposes provided in this Act. Any amount of the loan in excess of  
14 the amount of the matching fund certified by the Board of Public Works shall be canceled  
15 and be of no further effect.

16           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 June 1, 1997.