HOUSE BILL 1131

B2

By: **Delegate Conway** Introduced and read first time: February 7, 2014 Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

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Creation of a State Debt – Delmar Public Library

FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the Board of Directors of the Delmar Public Library Commission, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

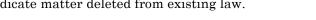
10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 11 MARYLAND, That:

12The Board of Public Works may borrow money and incur indebtedness on (1)behalf of the State of Maryland through a State loan to be known as the Delmar Public 1314Library Loan of 2014 in a total principal amount equal to the lesser of (i) \$250,000 or 15(ii) the amount of the matching fund provided in accordance with Section 1(5) below. 16 This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, 17sold, and delivered in accordance with §§ 8-117 through 8-124 and 8-131.2 of the 1819 State Finance and Procurement Article.

20 (2) The bonds to evidence this loan or installments of this loan may be sold 21 as a single issue or may be consolidated and sold as part of a single issue of bonds 22 under § 8–122 of the State Finance and Procurement Article.

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



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architects' and engineers' fees: as a grant to the Board of Directors of the Delmar
Public Library Commission, Inc. (referred to hereafter in this Act as "the grantee") for
the acquisition, planning, design, construction, repair, renovation, reconstruction, and
capital equipping of the Delmar Public Library, located in Sussex County, Delaware.

5 (4) An annual State tax is imposed on all assessable property in the State in 6 rate and amount sufficient to pay the principal of and interest on the bonds, as and 7 when due and until paid in full. The principal shall be discharged within 15 years 8 after the date of issuance of the bonds.

9 (5)Prior to the payment of any funds under the provisions of this Act for the 10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either 11 12directly or indirectly, from funds of the State, whether appropriated or 13unappropriated. The fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount 1415of the matching fund or what money or assets may qualify as matching funds, the 16 Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2016, to present evidence satisfactory to the Board of 17Public Works that a matching fund will be provided. If satisfactory evidence is 18 presented, the Board shall certify this fact and the amount of the matching fund to the 1920State Treasurer, and the proceeds of the loan equal to the amount of the matching 21fund shall be expended for the purposes provided in this Act. Any amount of the loan 22in excess of the amount of the matching fund certified by the Board of Public Works 23shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board
of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
the amount of the unencumbered or unexpended authorization shall be canceled and
be of no further effect. If bonds have been issued for the loan, the amount of
unexpended or unencumbered bond proceeds shall be disposed of as provided in
§ 8–129 of the State Finance and Procurement Article.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 32 June 1, 2014.

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