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SB 627/95 - B&T

1996 Regular Session
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By: Senators Hoffman and Young

Introduced and read first time: January 31, 1996
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 27, 1996

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - The Learning Bank**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000, the
4 proceeds to be used as a grant to ~~The Learning Bank~~ of COIL, Inc. for certain
5 acquisition, development, or improvement purposes; providing for disbursement of
6 the loan proceeds, subject to a requirement that the grantee provide and expend a
7 matching fund; and providing generally for the issuance and sale of bonds
8 evidencing the 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 Baltimore City
13 - The Learning Bank Loan of 1996 in a total principal amount equal to the lesser of (i)
14 \$500,000 or (ii) the amount of the matching fund provided in accordance with Section
15 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
16 general obligation bonds authorized by a resolution of the Board of Public Works and
17 issued, sold, and delivered in accordance with Sections 8-117 through 8-124 of the State
18 Finance and Procurement Article and Article 31, Section 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 Section 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:

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1 as a grant to ~~The Learning Bank~~ of COIL, Inc. (referred to hereafter in this Act as "the
2 grantee") for the repair, renovation, rehabilitation, and reconstruction of, and for the
3 provision of capital equipment and furnishings for, a building at West Baltimore Street
4 and Carrollton Avenue in Baltimore City, to be used as a community-based literacy
5 center.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
12 fund. No part of the grantee's matching fund may be provided, either directly or
13 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
14 the fund may consist of in kind contributions. The fund may consist of real property or
15 funds expended prior to the effective date of this Act. In case of any dispute as to the
16 amount of the matching fund or what money or assets may qualify as matching funds, the
17 Board of Public Works shall determine the matter and the Board's decision is final. The
18 grantee has until June 1, 1998, to present evidence satisfactory to the Board of Public
19 Works that a matching fund will be provided. If satisfactory evidence is presented, the
20 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
21 and the proceeds of the loan equal to the amount of the matching fund shall be expended
22 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
23 the matching fund certified by the Board of Public Works shall be canceled and be of no
24 further effect.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 1996.