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**By: Senators Cade, Hollinger, Currie, Kasemeyer, Boozer, and Hoffman**

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Villa Julie College**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$3,500,000,  
4 the proceeds to be used as a grant to Villa Julie College 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 Villa Julie  
13 College Loan of 1996 in a total principal amount equal to the lesser of (i) \$3,500,000 or  
14 (ii) the amount of the matching fund provided in accordance with Section 1(5) below.  
15 This loan shall be evidenced by the issuance, sale, and delivery of State general obligation  
16 bonds authorized by a resolution of the Board of Public Works and issued, sold, and  
17 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
18 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 Villa Julie College (referred to hereafter in this Act as "the grantee") for the  
28 planning, design, construction, and equipping of a new academic multipurpose building  
29 and for the planning, design, repair, renovation, rehabilitation, reconstruction, alteration,  
30 construction, expansion and equipping of, and for additions to, existing academic  
31 facilities.

32 (4) An annual State tax is imposed on all assessable property in the State in rate  
33 and amount sufficient to pay the principal of and interest on the bonds, as and when due

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1 and until paid in full. The principal shall be discharged within 15 years after the date of  
2 issuance of the bonds.

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

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