

CF SB 372

By: Delegates Dewberry, Frank, Finifter, Morhaim, Rawlings, Kelly, Dypski, Branch, Conway, Franchot, Holt, Klima, McIntosh, Minnick, Montague, Nathan-Pulliam, Rosenberg, Getty, and Hurson

Introduced and read first time: February 6, 1997

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: March 30, 1997

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore County - Hannah More School**

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 Hannah More School 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 Baltimore
13 County - Hannah More School Loan of 1997 in a total principal amount equal to the
14 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance with
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
16 State general obligation bonds authorized by a resolution of the Board of Public Works
17 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 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

2

1 the books of the Comptroller and expended, on approval by the Board of Public Works,
2 for the following public purposes, including any applicable architects' and engineers' fees:
3 as a grant to the Hannah More School (referred to hereafter in this Act as "the grantee")
4 for the repair, renovation, expansion, and improvement of, and for the provision of
5 capital equipment for, the school building and other facilities used for educational,
6 clinical, and administrative services by the Hannah More School.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
13 fund. No part of the grantee's matching fund may be provided, either directly or
14 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
15 the fund may consist of real property or in kind contributions. The matching fund may
16 consist of funds expended prior to the effective date of this Act, specifically of
17 expenditures for this project made by the grantee after January 1, 1997. In case of any
18 dispute as to the amount of the matching fund or what money or assets may qualify as
19 matching funds, the Board of Public Works shall determine the matter and the Board's
20 decision is final. The grantee has until June 1, 1999, to present evidence satisfactory to
21 the Board of Public Works that a matching fund will be provided. If satisfactory evidence
22 is presented, the Board shall certify this fact and the amount of the matching fund to the
23 State Treasurer, and the proceeds of the loan equal to the amount of the matching fund
24 shall be expended for the purposes provided in this Act. Any amount of the loan in excess
25 of the amount of the matching fund certified by the Board of Public Works shall be
26 canceled and be of no further effect.

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