

CF 7r2567

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**By: Senators Hollinger, Hoffman, Bromwell, and ~~Boozer~~ Boozer, and Kasemeyer**

Introduced and read first time: January 27, 1997

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

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## 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~~  
 4 \$300,000, the proceeds to be used as a grant to the Hannah More School 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  
 13 County - Hannah More School Loan of 1997 in a total principal amount equal to the  
 14 lesser of (i) ~~\$500,000~~ \$300,000 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:

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1 as a grant to the Hannah More School (referred to hereafter in this Act as "the grantee")  
2 for the repair, renovation, expansion, and improvement of, and for the provision of  
3 capital equipment for, the school building and other facilities used for educational,  
4 clinical, and administrative services by the Hannah More School.

5 (4) An annual State tax is imposed on all assessable property in the State in rate  
6 and amount sufficient to pay the principal of and interest on the bonds, as and when due  
7 and until paid in full. The principal shall be discharged within 15 years after the date of  
8 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  
11 fund. No part of the grantee's matching fund may be provided, either directly or  
12 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
13 the fund may consist of real property or in kind contributions. The matching fund may  
14 consist of funds expended prior to the effective date of this Act, specifically of  
15 expenditures for this project made by the grantee after January 1, 1997. In case of any  
16 dispute as to the amount of the matching fund or what money or assets may qualify as  
17 matching funds, the Board of Public Works shall determine the matter and the Board's  
18 decision is final. The grantee has until June 1, 1999, to present evidence satisfactory to  
19 the Board of Public Works that a matching fund will be provided. If satisfactory evidence  
20 is presented, the Board shall certify this fact and the amount of the matching fund to the  
21 State Treasurer, and the proceeds of the loan equal to the amount of the matching fund  
22 shall be expended for the purposes provided in this Act. Any amount of the loan in excess  
23 of the amount of the matching fund certified by the Board of Public Works shall be  
24 canceled and be of no further effect.

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