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**By: Senator McFadden**

Introduced and read first time: January 29, 1997

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Sojourner-Douglass College**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000, the  
4 proceeds to be used as a grant to Sojourner-Douglass College 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  
13 Sojourner-Douglass College Loan of 1997 in a total principal amount equal to the lesser  
14 of (i) \$350,000 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  
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 Sojourner-Douglass College (referred to hereafter in this Act as "the  
28 grantee") for the planning, design, repair, renovation, rehabilitation, and reconstruction  
29 of, and for the provision of capital equipment for, additions to the Dunbar Annex of  
30 Sojourner-Douglass College (Sojourner-Douglass College Administration Building).

31 (4) An annual State tax is imposed on all assessable property in the State in rate  
32 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, 1999, 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, 1997.