

CF 7r1771

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**By: Senator McFadden**

Introduced and read first time: January 29, 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 - Sojourner-Douglass College**

3 FOR the purpose of authorizing the creation of a State Debt ~~not to exceed~~ in the amount  
 4 of \$350,000, the proceeds to be used as a grant to Sojourner-Douglass College for  
 5 certain acquisition, development, or improvement purposes; providing for  
 6 disbursement of the loan proceeds, subject to a requirement that the grantee  
 7 provide and expend a matching fund; and providing generally for the issuance and  
 8 sale of bonds 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:~~ in the total principal amount of \$350,000. This loan shall be evidenced  
 16 by the issuance, sale, and delivery of State general obligation bonds authorized by a  
 17 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
 18 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and Article  
 19 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
 21 single issue or may be consolidated and sold as part of a single issue of bonds under §  
 22 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
 24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
 25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
 26 the books of the Comptroller and expended, on approval by the Board of Public Works,

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1 for the following public purposes, including any applicable architects' and engineers' fees:  
2 as a grant to Sojourner-Douglass College (referred to hereafter in this Act as "the  
3 grantee") for the planning, design, repair, renovation, rehabilitation, and reconstruction  
4 of, and for the provision of capital equipment for, additions to the Dunbar Annex of  
5 Sojourner-Douglass College (Sojourner-Douglass College Administration Building).

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 of \$175,000. No part of the grantee's matching fund may be provided, either directly  
13 or indirectly, from funds of the State, whether appropriated or unappropriated. No part  
14 of the fund may consist of real property or in kind contributions. The fund may consist of  
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, 1999, 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 to the State Treasurer, and the proceeds of the loan shall be expended for~~  
25 the purposes provided in this Act.

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