

CF 7lr1527

By: Senator Ruben

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Creation of a State Debt - Montgomery County - The Chelsea School

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
4 the proceeds to be used as a grant to The Chelsea School for certain development
5 or improvement purposes; providing for disbursement of the loan proceeds, subject
6 to a requirement that the grantee provide and expend a matching fund; and
7 providing generally for the issuance and sale of bonds evidencing the loan.

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That:

10 (1) The Board of Public Works may borrow money and incur indebtedness on
11 behalf of the State of Maryland through a State loan to be known as The Chelsea School
12 Loan of 1997 in a total principal amount equal to the lesser of (i) \$1,500,000 or (ii) the
13 amount of the matching fund provided in accordance with Section 1(5) below. This loan
14 shall be evidenced by the issuance, sale, and delivery of State general obligation bonds
15 authorized by a resolution of the Board of Public Works and issued, sold, and delivered in
16 accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article
17 and Article 31, § 22 of the Code.

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

21 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
22 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
23 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
24 the books of the Comptroller and expended, on approval by the Board of Public Works,
25 for the following public purposes, including any applicable architects' and engineers' fees:
26 as a grant to The Chelsea School (referred to hereafter in this Act as "the grantee") for
27 the planning, design, repair, renovation, reconstruction, and construction of, and for the
28 provision of capital equipment for a classroom building and gymnasium, and for the
29 demolition of, and lead abatement work on the annex.

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

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

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