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SB 590/96 - B&T

1997 Regular Session
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By: Senators Van Hollen, Ruben, Frosh, Teitelbaum, Forehand, and Hogan

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 - Maryland College of Art and Design**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$600,000, the
4 proceeds to be used as a grant to the Maryland College of Art and Design 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 Montgomery
13 County - Maryland College of Art and Design Loan of 1997 in a total principal amount
14 equal to the lesser of (i) \$600,000 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:
27 as a grant to the Maryland College of Art and Design (referred to hereafter in this Act as
28 "the grantee") for the repair and renovation of, and the provision of capital equipment
29 for, the existing facility in Silver Spring, including additional classroom and studio space,
30 library and computer facilities, and the relocation of the Gudelsky Exhibition Gallery.

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. The fund may consist of in kind contributions or
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.