

CF HB 1265

By: Senators Munson and Derr

Introduced and read first time: February 25, 1997

Assigned to: Rules

Re-referred to: Budget and Taxation, February 27, 1997

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Washington County - Town of Hancock - Community Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$75,000, the
4 proceeds to be used as a grant to the Town of Hancock for certain acquisition,
5 development, or improvement purposes; providing for disbursement of the loan
6 proceeds, subject to a requirement that the grantee provide and expend a matching
7 fund; and providing generally for the issuance and sale of bonds evidencing the
8 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 Washington
13 County - Town of Hancock - Community Center Loan of 1997 in a total principal amount
14 equal to the lesser of (i) \$75,000 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,

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1 for the following public purposes, including any applicable architects' and engineers' fees:
2 as a grant to the Town of Hancock (referred to hereafter in this Act as "the grantee") for
3 the ~~provision of capital equipment for~~ renovation and reconstruction of a community
4 center, located in the Town Hall.

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. In case of any dispute as
15 to the amount of the matching fund or what money or assets may qualify as matching
16 funds, the Board of Public Works shall determine the matter and the Board's decision is
17 final. The grantee has until June 1, 1999, to present evidence satisfactory to the Board of
18 Public Works that a matching fund will be provided. If satisfactory evidence is presented,
19 the Board shall certify this fact and the amount of the matching fund to the State
20 Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall
21 be expended for the purposes provided in this Act. Any amount of the loan in excess of
22 the amount of the matching fund certified by the Board of Public Works shall be canceled
23 and be of no further effect.

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