

HOUSE BILL 688

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B2

1998 Regular Session
8lr2116
CF 8lr1905

By: **Delegates Healey, Palumbo, Howard, Proctor, Vallario, D. Davis, B. Hughes, Moe, Patterson, Frush, Menes, R. Baker, Crumlin, Conroy, Morgan, Exum, Benson, Pitkin, Muse, Valderrama, and Hubbard**

Introduced and read first time: February 11, 1998
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 31, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Prince George's County - NAFEO Community**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$740,000~~
5 \$450,000, the proceeds to be used as a grant to NAFEO Services, Inc. for certain
6 acquisition, development, or improvement purposes; providing for disbursement
7 of the loan proceeds, subject to a requirement that the grantee provide and
8 expend a matching fund; and providing generally for the issuance and sale of
9 bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Prince
14 George's County - NAFEO Community Center Loan of 1998 in a total principal
15 amount equal to the lesser of (i) ~~\$740,000~~ \$450,000 or (ii) the amount of the matching
16 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
17 the issuance, sale, and delivery of State general obligation bonds authorized by a
18 resolution of the Board of Public Works and issued, sold, and delivered in accordance
19 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
20 Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to NAFEO Services, Inc.(referred to
7 hereafter in this Act as "the grantee") for the planning, design, repair, renovation, and
8 capital equipping of a building in Hyattsville, the building to be used by NAFEO
9 Services as a community center that offers a variety of services to the people of the
10 surrounding area and including a community art center.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund. No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. No part of the fund may consist of in kind contributions. The
20 matching fund may consist of real property or funds expended prior to the effective
21 date of this Act. In case of any dispute as to the amount of the matching fund or what
22 money or assets may qualify as matching funds, the Board of Public Works shall
23 determine the matter and the Board's decision is final. The grantee has until June 1,
24 2000, to present evidence satisfactory to the Board of Public Works that a matching
25 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
26 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
27 the loan equal to the amount of the matching fund shall be expended for the purposes
28 provided in this Act. Any amount of the loan in excess of the amount of the matching
29 fund certified by the Board of Public Works shall be canceled and be of no further
30 effect.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 June 1, 1998.