

SENATE BILL 232

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B2

1998 Regular Session
8r1304
CF 8r0269

By: **Senators McCabe, Madden, and Kasemeyer**
Introduced and read first time: January 30, 1998
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Howard County - Smith Farm**
3 **Ho. Co. 6-98**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$4,000,000,
5 the proceeds to be used as a grant to the County Executive and County Council
6 of Howard County for certain acquisition, development, or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; and
9 providing generally for the issuance and sale of 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 Howard
14 County - Smith Farm Loan of 1998 in a total principal amount equal to the lesser of
15 (i) \$4,000,000 or (ii) the amount of the matching fund provided in accordance with
16 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public
18 Works and issued, sold, and delivered in accordance with § § 8-117 through 8-124 of
19 the State Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as
21 a 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
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the County Executive and County Council
29 of Howard County (referred to hereafter in this Act as "the grantee") for the
30 acquisition of all or a portion of a 291-acre parcel of land known as the Smith Farm,
31 an undeveloped tract of land in Columbia, Maryland, to be used as open space, a

1 natural habitat and environment for plants and animals, as well as for outdoor
2 educational and recreational purposes by the people of Howard County and of the
3 State.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
10 matching fund. Except for funds provided to Howard County from Program Open
11 Space, 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
13 of the fund may consist of real property, in kind contributions, or funds expended
14 prior to the effective date of this Act. In case of any dispute as to the amount of the
15 matching fund or what money or assets may qualify as matching funds, the Board of
16 Public Works shall determine the matter and the Board's decision is final. The
17 grantee has until June 1, 2000, to present evidence satisfactory to the Board of Public
18 Works that a matching fund will be provided. If satisfactory evidence is presented, the
19 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
21 shall be expended for the purposes provided in this Act. Any amount of the loan in
22 excess of the amount of the matching fund certified by the Board of Public Works
23 shall be canceled and be of no further effect.

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