

SENATE BILL 403

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B2

1998 Regular Session
8r1564
CF 8r1683

By: **Senators Baker, Hoffman, Blount, Boozer, Neall, Lawlah, Kasemeyer,
Hollinger, and Munson**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Washington College**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$3,000,000,
4 the proceeds to be used as a grant to Washington College 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
7 matching fund; and providing generally for the issuance and sale of bonds
8 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 Washington
13 College Loan of 1998 in a total principal amount equal to the lesser of (i) \$3,000,000
14 or (ii) the amount of the matching fund provided in accordance with Section 1(5)
15 below. This loan shall be evidenced by the issuance, sale, and delivery of State general
16 obligation bonds authorized by a resolution of the Board of Public Works and issued,
17 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance
18 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
20 a 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
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to Washington College (referred to hereafter
28 in this Act as "the grantee") for the demolition of an existing academic building, for
29 the planning, design, construction, and capital equipping of a new academic building,
30 for the planning, design, repair, renovation, restoration, reconstruction, and capital
31 equipping of William Smith Hall, and for site improvements and the relocation of

1 utilities related to the capital work on the two buildings, including planning and
2 construction costs.

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

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

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