

SENATE BILL 615

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1998 Regular Session
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CF 8r2638

By: **Senators Van Hollen, Hogan, Frosh, Dorman, Forehand, Teitelbaum,
Ruben, and Roesser**

Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Center for Children and**
3 **Families**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,000,000~~
5 \$950,000, the proceeds to be used as a grant to the Reginald S. Lourie Center for
6 Infants and Young Children and the Grafton School for certain acquisition,
7 development, or improvement purposes; providing for disbursement of the loan
8 proceeds, subject to a requirement that the grantees jointly provide and expend
9 a matching fund; and providing generally for the issuance and sale of bonds
10 evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Montgomery
15 County - Center for Children and Families Loan of 1998 in a total principal amount
16 equal to the lesser of (i) ~~\$1,000,000~~ \$950,000 or (ii) the amount of the matching fund
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance
20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
21 Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 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 the Reginald S. Lourie Center for Infants
7 and Young Children and the Grafton School (referred to hereafter in this Act as "the
8 grantees") for the planning, design, repair, renovation, construction, and
9 reconstruction, including the testing for and abatement of hazardous materials, and
10 capital equipping of a facility and related site work in Montgomery County for use as
11 a center for children and families.

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

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

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