

SENATE BILL 721

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B2
SB 296/97 - B&T

1998 Regular Session
8lr2483

By: **Senator Madden**

Introduced and read first time: February 18, 1998

Rule 32 suspended

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - School for Contemporary Education**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,300,000,
4 the proceeds to be used as a grant to the Board of Trustees of the School for
5 Contemporary Education in Laurel, Maryland for certain acquisition,
6 development, or improvement purposes; providing for disbursement of the loan
7 proceeds, subject to a requirement that the grantee provide and expend a
8 matching fund; and providing generally for the issuance and sale of bonds
9 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 School for
14 Contemporary Education Loan of 1998 in a total principal amount equal to the lesser
15 of (i) \$1,300,000 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 Board of Trustees of the School for
29 Contemporary Education in Laurel, Maryland (referred to hereafter in this Act as
30 "the grantee") for site preparation, and for the planning, design, repair, renovation,
31 reconstruction, construction, and capital equipping of an addition to the main

1 building of the School for Contemporary Education, a school which currently is
2 serving students who have been referred from the boards of education of eight
3 counties in the State. The addition will include classrooms, a gymnasium, a creative
4 arts room, offices, and a meeting room.

5 (4) An annual State tax is imposed on all assessable property in the State in
6 rate and amount sufficient to pay the principal of and interest on the bonds, as and
7 when due and until paid in full. The principal shall be discharged within 15 years
8 after the date of 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
11 matching fund. No part of the grantee's matching fund may be provided, either
12 directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. No part of the fund may consist of real property, in kind
14 contributions, or funds expended prior to the effective date of this Act. In case of any
15 dispute as to the amount of the matching fund or what money or assets may qualify
16 as matching funds, the Board of Public Works shall determine the matter and the
17 Board's decision is final. The grantee has until June 1, 2000, to present evidence
18 satisfactory to the Board of Public Works that a matching fund will be provided. If
19 satisfactory evidence is presented, the Board shall certify this fact and the amount of
20 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
21 amount of the matching fund shall be expended for the purposes provided in this Act.
22 Any amount of the loan in excess of the amount of the matching fund certified by the
23 Board of Public Works 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.