

SENATE BILL 734

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B2  
HB 1315/97 - APP

1998 Regular Session  
8r1146  
CF 8r1147

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By: **Senator Forehand**

Introduced and read first time: February 20, 1998

Rule 32 suspended

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Georgetown Oaks Child**  
3 **Care Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Georgetown  
6 Oaks Child Care Center, Inc. for certain acquisition, development, or  
7 improvement purposes; providing for disbursement of the loan proceeds, subject  
8 to a requirement that the grantee provide and expend a matching fund;  
9 requiring the grantee to demonstrate to the Board of Public Works the adoption  
10 of a certain policy; and providing generally for the issuance and sale of bonds  
11 evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Montgomery  
16 County - Georgetown Oaks Child Care Center Loan of 1998 in a total principal  
17 amount equal to the lesser of (i) \$500,000 or (ii) the amount of the matching fund  
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
19 issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as  
24 a single issue or may be consolidated and sold as part of a single issue of bonds under  
25 § 8-122 of the State Finance and Procurement Article.

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and  
28 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
29 shall be credited on the books of the Comptroller and expended, on approval by the  
30 Board of Public Works, for the following public purposes, including any applicable  
31 architects' and engineers' fees: as a grant to the Board of Directors of the Georgetown

1 Oaks Child Care Center, Inc. (referred to hereafter in this Act as "the grantee") for the  
2 planning, design, construction and capital equipping and furnishing of a building that  
3 will serve as a private nonprofit arts and child care center for both able-bodied and  
4 developmentally disabled children.

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 matching fund may consist of in kind contributions.  
14 The fund may consist of real property or funds expended prior to the effective date of  
15 this Act. In case of any dispute as to the amount of the matching fund or what money  
16 or assets may qualify as matching funds, the Board of Public Works shall determine  
17 the matter and the Board's decision is final. The grantee has until June 1, 2000, to  
18 present evidence satisfactory to the Board of Public Works that a matching fund will  
19 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
20 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
21 equal to the amount of the matching fund shall be expended for the purposes provided  
22 in this Act. Any amount of the loan in excess of the amount of the matching fund  
23 certified by the Board of Public Works shall be canceled and be of no further effect.

24 (6) Prior to the payment of any of the proceeds of the bonds to the grantee  
25 under the provisions of this Act for the purposes set forth in Section 1(3) above, the  
26 grantee shall demonstrate to the satisfaction of the Board of Public Works the  
27 adoption of a policy of the acceptance of all children to the facilities of the Center on  
28 a first come first served basis for the purpose of giving to the residents of all the  
29 subdivisions in the State assurance of equal access to the use of the facilities of the  
30 Center.

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