

SENATE BILL 790

Unofficial Copy  
B2

1998 Regular Session  
8r2799  
CF 8r2796

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By: **Senator Stoltzfus**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 11, 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 - Wicomico County - Drill Academy for Youth**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$725,000,  
4 the proceeds to be used as a grant to the County Commissioners of Wicomico  
5 County for certain acquisition, development, or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that  
7 the grantee provide and expend a matching fund; and providing generally for  
8 the issuance and sale of bonds 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 Wicomico  
13 County - Drill Academy for Youth Loan of 1998 in a total principal amount equal to  
14 the lesser of (i) \$725,000 or (ii) the amount of the matching fund provided in  
15 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
16 and delivery of State general obligation bonds authorized by a resolution of the Board  
17 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
18 8-124 of the State Finance 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 the County Commissioners of Wicomico  
28 County (referred to hereafter in this Act as "the grantee") for the planning, design,  
29 construction, and capital equipping and furnishing of a residential drill academy the

1 purpose of which is to retrain the youth of Wicomico County who have been  
2 recommended for a program at the facility as a result of proceedings within the  
3 judicial system in Wicomico County.

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

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