

HOUSE BILL 447

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1999 Regular Session
9r1378
CF 9r1377

By: **Delegates Hecht, Taylor, Conway, Dewberry, Rawlings, Kopp,
Rosenberg, Snodgrass, Klima, McIntosh, Brinkley, Stull, Kagan,
Franchot, V. Jones, Heller, Cadden, Palumbo, W. Baker, Proctor, Pitkin,
D'Amato, Slade, Elliott, Bartlett, Mandel, and Stocksdale**

Introduced and read first time: February 10, 1999

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 29, 1999

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Hood College (Frederick County)**

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 Hood College for certain development or
5 improvement purposes; providing for disbursement of the loan proceeds, subject
6 to a requirement that the grantee provide and expend a matching fund; and
7 providing generally for the issuance and sale of bonds evidencing the loan.

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That:

10 (1) The Board of Public Works may borrow money and incur indebtedness on
11 behalf of the State of Maryland through a State loan to be known as the Hood College
12 (Frederick County) Loan of 1999 in a total principal amount equal to the lesser of (i)
13 \$3,000,000 or (ii) the amount of the matching fund provided in accordance with
14 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
15 State general obligation bonds authorized by a resolution of the Board of Public
16 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
17 the State Finance and Procurement Article and Article 31, § 22 of the Code.

18 (2) The bonds to evidence this loan or installments of this loan may be sold as
19 a single issue or may be consolidated and sold as part of a single issue of bonds under
20 § 8-122 of the State Finance and Procurement Article.

21 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
22 and first shall be applied to the payment of the expenses of issuing, selling, and

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to Hood College (referred to hereafter in this
5 Act as "the grantee") for the planning, design, construction, expansion, repair,
6 restoration, renovation, reconstruction, and capital equipping of and for additions to
7 the Hodson Science Center at the College.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
14 matching fund. No part of the grantee's matching fund may be provided, either
15 directly or indirectly, from funds of the State, whether appropriated or
16 unappropriated. No part of the fund may consist of real property or in kind
17 contributions. The fund may consist of funds expended prior to the effective date of
18 this Act. In case of any dispute as to the amount of the matching fund or what money
19 or assets may qualify as matching funds, the Board of Public Works shall determine
20 the matter and the Board's decision is final. The grantee has until June 1, 2001, to
21 present evidence satisfactory to the Board of Public Works that a matching fund will
22 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
23 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
24 equal to the amount of the matching fund shall be expended for the purposes provided
25 in this Act. Any amount of the loan in excess of the amount of the matching fund
26 certified by the Board of Public Works shall be canceled and be of no further effect.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 June 1, 1999.