

HOUSE BILL 1162

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1999 Regular Session
9lr2564
CF 9lr2593

By: **Delegates McClenahan, Bozman, and Conway**

Introduced and read first time: March 1, 1999
Assigned to: Rules and Executive Nominations
Re-referred to: Appropriations, March 4, 1999

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 - Somerset County - Old Washington High School**
3 **Auditorium - County Commissioners Office**

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 ~~County Commissioners of~~ Board of
6 County Commissioners for Somerset County for certain 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; and
9 providing generally for the issuance and sale of bonds 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 Somerset
14 County - Old Washington High School Auditorium - County Commissioners Office
15 Loan of 1999 in a total principal amount equal to the lesser of (i) \$500,000 or (ii) the
16 amount of the matching fund provided in accordance with Section 1(5) below. This
17 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
18 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
19 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
20 Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 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 ~~County Commissioners of~~ Board of
7 County Commissioners for Somerset County (referred to hereafter in this Act as "the
8 grantee") for the renovation, repair, restoration, construction, reconstruction, and
9 capital equipping of the Old Washington High School and of the County
10 Commissioners Office, both located in Princess Anne.

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

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

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