

SENATE BILL 600

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B2

1999 Regular Session
9r1377
CF 9r1378

By: **Senators Van Hollen, Hoffman, Middleton, Lawlah, Neall, Blount,
Munson, Hollinger, Ferguson, and Mooney**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

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 Loan of 1999 in a total principal amount equal to the lesser of (i) \$3,000,000 or (ii) the
13 amount of the matching fund provided in accordance with Section 1(5) below. This
14 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
15 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
16 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
17 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
23 delivering the bonds, unless funds for this purpose are otherwise provided, and then
24 shall be credited on the books of the Comptroller and expended, on approval by the
25 Board of Public Works, for the following public purposes, including any applicable
26 architects' and engineers' fees: as a grant to Hood College (referred to hereafter in this
27 Act as "the grantee") for the planning, design, construction, expansion, repair,
28 restoration, renovation, reconstruction, and capital equipping of the Hodson Science
29 Center at the College.

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

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

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