

SENATE BILL 600

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B2

1999 Regular Session  
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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

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 1999

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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 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

1 Board of Public Works, for the following public purposes, including any applicable  
2 architects' and engineers' fees: as a grant to Hood College (referred to hereafter in this  
3 Act as "the grantee") for the planning, design, construction, expansion, repair,  
4 restoration, renovation, reconstruction, and capital equipping of and for additions to  
5 the Hodson Science Center at the College.

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

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

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