

SENATE BILL 777

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B2

1999 Regular Session  
9lr2593  
CF HB 1162

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By: **Senator Stoltzfus**  
Introduced and read first time: March 5, 1999  
Assigned to: Rules  
Re-referred to: Budget and Taxation, March 11, 1999

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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 - 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 \$100,000, the proceeds to be used as a grant to the ~~County Commissioners of~~  
6 Board of 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~~ \$100,000 or  
16 (ii) the amount of the matching fund provided in accordance with Section 1(5) below.  
17 This loan shall be evidenced by the issuance, sale, and delivery of State general  
18 obligation bonds authorized by a resolution of the Board of Public Works and issued,  
19 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance  
20 and 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.