
By: **Senators Miller, Blount, Hoffman, and Middleton**
Introduced and read first time: March 3, 2000
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Aging School Program - Qualified Zone Academy**
3 **Bonds**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$9,800,000, the proceeds to be used as a grant to the Interagency Committee on
6 School Construction for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a required Federal 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 Aging School
14 Program - Qualified Zone Academy Bonds Loan of 2000 in a total principal amount of
15 \$9,800,000. This loan shall be evidenced by the issuance, sale, and delivery of State
16 general obligation qualified zone academy bonds, as defined in § 1397E(d)(1) of the
17 Internal Revenue Code of the United States, as amended, authorized by a resolution
18 of the Board of Public Works and issued, sold, and delivered in accordance with §§
19 8-117 through 8-124 of the State Finance and Procurement Article, Article 31, § 22 of
20 the Code, and § 1397E of the Internal Revenue Code, as amended.

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.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller, and held separately in a qualified
28 zone academy bond account, and expended, on approval by the Board of Public Works,
29 for the following public purposes, including any applicable architects' and engineers'
30 fees: as a grant to the Interagency Committee on School Construction (referred to
31 hereafter in this Act as "the grantee") for the renovation, repair, and capital equipping
32 of qualified zone academies, as defined in § 1397E(d)(4)(A) of the Internal Revenue

1 Code, as amended, and in accordance with the Aging Schools Program of the
2 Interagency Committee on School Construction, as provided under § 5-303 of the
3 Education Article of the Annotated Code of Maryland.

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

8 (5) (a) The grantee shall provide and expend a matching fund as provided in
9 this paragraph.

10 (b) No part of the grantee's matching fund may be provided, either
11 directly or indirectly, from funds of the State, whether appropriated or
12 unappropriated. No part of the fund may consist of real property. The fund shall
13 consist of private business contributions, which may consist of funds or in kind
14 contributions, as required under § 1397E(d)(2) of the Internal Revenue Code, as
15 amended. In case of any dispute as to the amount of the matching fund or what
16 money or assets may qualify as matching funds, the Board of Public Works shall
17 determine the matter and the Board's decision is final.

18 (c) The grantee shall present evidence to the satisfaction of the Board of
19 Public Works of the provision and expenditure of the matching fund, and the Board of
20 Public Works shall authorize the disbursement of the proceeds of the grant under the
21 provisions of this Act for the purposes set forth in Section 1(3) above.

22 (d) As the grantee provides and expends the matching fund and meets
23 other requirements of § 1397E of the Internal Revenue Code, as amended, the Board
24 of Public Works shall authorize the disbursement of an installment of the proceeds of
25 the grant in proportion to the matching fund presented at that time by the grantee.

26 (e) This method of presentation of the matching fund shall continue until
27 the first to occur of the disbursement of the total amount of the grant or June 1, 2002.

28 (f) The grantee has until June 1, 2002, to present the final evidence
29 satisfactory to the Board of Public Works that the total matching fund will be
30 provided. If satisfactory evidence is presented, the Board shall certify this fact, the
31 amount of the final installment of the matching fund, and the amount of the total
32 matching fund to the State Treasurer, and the final proceeds of the loan equal to the
33 final installment of the matching fund shall be expended for the purposes provided in
34 this Act. After June 1, 2002, any amount of the loan in excess of the amount of the
35 matching fund certified by the Board of Public Works shall be canceled and be of no
36 further effect.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
38 effect June 1, 2000.