

HOUSE BILL 1017

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B2

2001 Regular Session  
1r2370  
CF SB 664

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By: **Delegates Franchot and Hixson**  
Introduced and read first time: February 9, 2001  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 24, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Takoma Park Cooperative**  
3 **School**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$200,000~~  
5 \$100,000, the proceeds to be used as a grant to the Board of Directors of the  
6 Takoma Park Cooperative Nursery School, Inc. 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 Montgomery  
14 County - Takoma Park Cooperative Nursery School Loan of 2001 in a total principal  
15 amount equal to the lesser of (i) ~~\$200,000~~ \$100,000 or (ii) the amount of the matching  
16 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
17 the issuance, sale, and delivery of State general obligation bonds authorized by a  
18 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
19 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
20 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.

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

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Board of Directors of the Takoma  
5 Park Cooperative Nursery School, Inc. (referred to hereafter in this Act as "the  
6 grantee") for the acquisition, repair, renovation, reconstruction, and capital equipping  
7 of a building, located at 8204 Flower Avenue in Takoma Park, Maryland, for use as  
8 the Takoma Park Cooperative Nursery School.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the  
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
15 matching fund. No part of the grantee's matching fund may be provided, either  
16 directly or indirectly, from funds of the State, whether appropriated or  
17 unappropriated. No part of the fund may consist of real property ~~or in-kind~~  
18 ~~contributions~~. The fund may consist of in kind contributions and funds expended prior  
19 to the effective date of this Act. In case of any dispute as to the amount of the  
20 matching fund or what money or assets may qualify as matching funds, the Board of  
21 Public Works shall determine the matter and the Board's decision is final. The  
22 grantee has until June 1, 2003, to present evidence satisfactory to the Board of Public  
23 Works that a matching fund will be provided. If satisfactory evidence is presented, the  
24 Board shall certify this fact and the amount of the matching fund to the State  
25 Treasurer, and the proceeds of the loan equal to the amount of the matching fund  
26 shall be expended for the purposes provided in this Act. Any amount of the loan in  
27 excess of the amount of the matching fund certified by the Board of Public Works  
28 shall be canceled and be of no further effect.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 June 1, 2001.