

SENATE BILL 226

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2001 Regular Session
11r0331
CF 11r1635

By: **Senator Ruben**
Introduced and read first time: January 24, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2001

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Hillandale Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$750,000~~
4 ~~\$400,000~~, the proceeds to be used as a grant to the ~~Board of Directors of the~~
5 ~~Centers for the Handicapped, Inc.~~ Board of Directors of CHI Centers, Inc., for
6 certain development or improvement purposes; providing for disbursement of
7 the loan proceeds, subject to a requirement that the grantee provide and expend
8 a matching fund; and providing generally for the issuance and sale of bonds
9 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 - Hillandale Center Loan of 2001 in a total principal amount equal to the
15 lesser of (i) ~~\$750,000~~ ~~\$400,000~~ or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
19 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as
21 a single issue or may be consolidated and sold as part of a single issue of bonds under
22 § 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then

1 shall be credited on the books of the Comptroller and expended, on approval by the
2 Board of Public Works, for the following public purposes, including any applicable
3 architects' and engineers' fees: as a grant to the ~~Board of Directors of the Centers for~~
4 ~~the Handicapped, Inc.~~ Board of Directors of CHI Centers, Inc., (referred to hereafter
5 in this Act as "the grantee") for the planning, design, repair, renovation,
6 reconstruction, and capital equipping of a former elementary school, Hillandale
7 Elementary, in Montgomery County, to be used to provide services to developmentally
8 disabled children and adults.

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. The fund may consist of real property, in kind contributions, or funds
18 expended prior to the effective date of this Act. In case of any dispute as to the amount
19 of the matching fund or what money or assets may qualify as matching funds, the
20 Board of Public Works shall determine the matter and the Board's decision is final.
21 The grantee has until June 1, 2003, to present evidence satisfactory to the Board of
22 Public Works that a matching fund will be provided. If satisfactory evidence is
23 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
24 the loan shall be expended for the purposes provided in this Act.

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