

SENATE BILL 468

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B2

2001 Regular Session  
1r2592  
CF 1r1122

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By: **Senator Collins**

Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Maryland Aviation Institute of Technology**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,  
4 the proceeds to be used as a grant to the Board of Directors of Southeastern  
5 Baltimore County Workforce Development Corp., Inc. for certain development or  
6 improvement purposes; providing for disbursement of the loan proceeds, subject  
7 to a requirement that the grantee provide and expend a matching fund; and  
8 providing generally for the issuance and sale of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on  
12 behalf of the State of Maryland through a State loan to be known as the Maryland  
13 Aviation Institute of Technology Loan of 2001 in a total principal amount equal to the  
14 lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided in accordance  
15 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
16 delivery of State general obligation bonds authorized by a resolution of the Board of  
17 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
18 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
23 and first shall be applied to the payment of the expenses of issuing, selling, and  
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
25 shall be credited on the books of the Comptroller and expended, on approval by the  
26 Board of Public Works, for the following public purposes, including any applicable  
27 architects' and engineers' fees: as a grant to the Board of Directors of Southeastern  
28 Baltimore County Workforce Development Corp., Inc. (referred to hereafter in this  
29 Act as "the grantee") for the planning, design, construction, and capital equipping of  
30 an aviation maintenance training facility to be located at Martin State Airport in  
31 Baltimore County.

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

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

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