

HOUSE BILL 843

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B2  
SB 16/03 - B&T

2004 Regular Session  
4r2767  
CF SB 86

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By: **Delegates Hixson, Franchot, and Murray**  
Introduced and read first time: February 9, 2004  
Assigned to: Appropriations

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A BILL ENTITLED

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 \$1,000,000,  
4 the proceeds to be used as a grant to the Board of Directors of CHI Centers, Inc.,  
5 for certain development or improvement purposes; providing for disbursement of  
6 the loan proceeds, subject to a requirement that the grantee provide and expend  
7 a matching fund; establishing a deadline for the encumbrance or expenditure of  
8 the loan proceeds; 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 2004 in a total principal amount equal to the  
15 lesser of (i) \$1,000,000 or (ii) the amount of the matching fund provided in accordance  
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
17 delivery of State general obligation bonds authorized by a resolution of the Board of  
18 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  
26 shall be credited on the books of the Comptroller and expended, on approval by the  
27 Board of Public Works, for the following public purposes, including any applicable  
28 architects' and engineers' fees: as a grant to the Board of Directors of CHI Centers,  
29 Inc., (referred to hereafter in this Act as "the grantee") for the planning, design,  
30 repair, renovation, reconstruction, and capital equipping of a former elementary  
31 school, Hillandale Elementary, in Montgomery County, to be used to provide services  
32 to developmentally disabled children and adults.

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. The fund may consist of real property, in kind contributions, or funds  
10 expended prior to the effective date of this Act. In case of any dispute as to the amount  
11 of the matching fund or what money or assets may qualify as matching funds, the  
12 Board of Public Works shall determine the matter and the Board's decision is final.  
13 The grantee has until June 1, 2006, to present evidence satisfactory to the Board of  
14 Public Works that a matching fund will be provided. If satisfactory evidence is  
15 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of  
16 the loan shall be expended for the purposes provided in this Act.

17 (6) The proceeds of the loan must be expended or encumbered by the Board of  
18 Public Works for the purposes provided in this Act no later than June 1, 2011. If any  
19 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,  
20 the amount of the unencumbered or unexpended authorization shall be canceled and  
21 be of no further effect. If bonds have been issued for the loan, the amount of  
22 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
23 8-129 of the State Finance and Procurement Article.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 June 1, 2004.