

(PRE-FILED)

By: **Senator Jones**

Requested: November 15, 2004

Introduced and read first time: January 12, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Academy of Success Community**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$800,000, the proceeds to be used as a grant to the Board of Directors of the
6 Academy of Success, Inc. 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 matching fund; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore
15 City - Academy of Success Community Center Loan of 2005 in the total principal
16 amount of \$800,000. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public
18 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
19 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 the Academy of
29 Success, Inc. (referred to hereafter in this Act as "the grantee") for the acquisition,
30 planning, design, renovation, reconstruction, and capital equipping of a building to be
31 used as a community center to further expansion and enhance all existing services to

1 meet the needs of the children, youth, and families that the Academy serves, located
2 in Baltimore City.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
9 matching fund of \$300,000. No part of the grantee's matching fund may be provided,
10 either directly or indirectly, from funds of the State, whether appropriated or
11 unappropriated. No part of the fund may consist of real property. The fund may
12 consist of in kind contributions or funds expended prior to the effective date of this
13 Act. In case of any dispute as to the amount of the matching fund or what money or
14 assets may qualify as matching funds, the Board of Public Works shall determine the
15 matter and the Board's decision is final. The grantee has until June 1, 2007, to
16 present evidence satisfactory to the Board of Public Works that a matching fund will
17 be provided. If satisfactory evidence is presented, the Board shall certify this fact to
18 the State Treasurer, and the proceeds of the loan shall be expended for the purposes
19 provided in this Act.

20 (6) The proceeds of the loan must be expended or encumbered by the Board of
21 Public Works for the purposes provided in this Act no later than June 1, 2012. If any
22 funds authorized by this Act remain unexpended or unencumbered after June 1,
23 2012, the amount of the unencumbered or unexpended authorization shall be
24 canceled and be of no further effect. If bonds have been issued for the loan, the
25 amount of unexpended or unencumbered bond proceeds shall be disposed of as
26 provided in § 8-129 of the State Finance and Procurement Article.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 June 1, 2005.