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By: **Senators DeGrange and Giannetti**

Introduced and read first time: January 30, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Jessup Community Hall**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$50,000,  
4 the proceeds to be used as a grant to the Board of Directors of the Jessup  
5 Improvement Association, Inc. for certain development or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a  
7 requirement that the grantee provide and expend a matching fund; establishing  
8 a deadline for the encumbrance or expenditure of the loan proceeds; 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 Anne Arundel  
14 County - Jessup Community Hall Loan of 2006 in the total principal amount of  
15 \$50,000. This loan shall be evidenced by the issuance, sale, and delivery of State  
16 general obligation bonds authorized by a resolution of the Board of Public Works and  
17 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
18 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 the Jessup  
28 Improvement Association, Inc. (referred to hereafter in this Act as "the grantee") for  
29 the renovation, repair, reconstruction, and capital equipping of the Jessup  
30 Community Hall, located in Jessup.

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 of \$26,869. No part of the grantee's matching fund may be provided,  
8 either directly or indirectly, from funds of the State, whether appropriated or  
9 unappropriated. The fund may consist of funds expended prior to the effective date of  
10 this Act. No part of the fund may consist of real property or in kind contributions. In  
11 case of any dispute as to the amount of the matching fund or what money or assets  
12 may qualify as matching funds, the Board of Public Works shall determine the matter  
13 and the Board's decision is final. The grantee has until June 1, 2008, to present  
14 evidence satisfactory to the Board of Public Works that a matching fund will be  
15 provided. If satisfactory evidence is presented, the Board shall certify this fact to the  
16 State Treasurer, and the proceeds of the loan shall be expended for the purposes  
17 provided in this Act.

18 (6) The proceeds of the loan must be expended or encumbered by the Board of  
19 Public Works for the purposes provided in this Act no later than June 1, 2013. If any  
20 funds authorized by this Act remain unexpended or unencumbered after June 1,  
21 2013, the amount of the unencumbered or unexpended authorization shall be  
22 canceled and be of no further effect. If bonds have been issued for the loan, the  
23 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
24 provided in § 8-129 of the State Finance and Procurement Article.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 June 1, 2006.