B2 6lr3241 CF HB 231

By: Howard County Senators

Introduced and read first time: February 13, 2006

Assigned to: Rules

A BILL ENTITLED

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- 2 Creation of a State Debt Howard County North Laurel Community
 3 Center
- 4 Ho. Co. 15-06
- 5 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
- 6 the proceeds to be used as a grant to the County Executive and County Council
- 7 of Howard County for certain development or improvement purposes; providing
- 8 for disbursement of the loan proceeds, subject to a requirement that the grantee
- 9 provide and expend a matching fund; establishing a deadline for the
- 10 encumbrance or expenditure of the loan proceeds; and providing generally for
- the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

- 13 MARYLAND, That:
- 14 (1) The Board of Public Works may borrow money and incur indebtedness on
- 15 behalf of the State of Maryland through a State loan to be known as the Howard
- 16 County North Laurel Community Center Loan of 2006 in a total principal amount
- 17 equal to the lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in
- 18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
- 19 and delivery of State general obligation bonds authorized by a resolution of the Board
- 20 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
- 21 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.
- 22 (2) The bonds to evidence this loan or installments of this loan may be sold as
- 23 a single issue or may be consolidated and sold as part of a single issue of bonds under
- 24 § 8-122 of the State Finance and Procurement Article.
- 25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
- 26 and first shall be applied to the payment of the expenses of issuing, selling, and
- 27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
- 28 shall be credited on the books of the Comptroller and expended, on approval by the
- 29 Board of Public Works, for the following public purposes, including any applicable
- 30 architects' and engineers' fees: as a grant to the County Executive and County Council
- 31 of Howard County (referred to hereafter in this Act as "the grantee") for the planning,

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- 1 design, site preparation, construction, and capital equipping of the North Laurel
- 2 Community Center, located in Laurel.
- 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. No part of the grantee's matching fund may be provided, either
- 10 directly or indirectly, from funds of the State, whether appropriated or
- 11 unappropriated. No part of the fund may consist of real property, in kind
- 12 contributions, or funds expended prior to the effective date of this Act. In case of any
- 13 dispute as to the amount of the matching fund or what money or assets may qualify
- 14 as matching funds, the Board of Public Works shall determine the matter and the
- 15 Board's decision is final. The grantee has until June 1, 2008, to present evidence
- 16 satisfactory to the Board of Public Works that a matching fund will be provided. If
- 17 satisfactory evidence is presented, the Board shall certify this fact and the amount of
- 18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
- 19 amount of the matching fund shall be expended for the purposes provided in this Act.
- 20 Any amount of the loan in excess of the amount of the matching fund certified by the
- 21 Board of Public Works shall be canceled and be of no further effect.
- 22 (6) The proceeds of the loan must be expended or encumbered by the Board of
- 23 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
- 24 funds authorized by this Act remain unexpended or unencumbered after June 1,
- 25 2013, the amount of the unencumbered or unexpended authorization shall be
- 26 canceled and be of no further effect. If bonds have been issued for the loan, the
- 27 amount of unexpended or unencumbered bond proceeds shall be disposed of as
- 28 provided in § 8-129 of the State Finance and Procurement Article.
- 29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 30 June 1, 2006.