

SENATE BILL 369

B2
SB 981/06 – B&T

71r1771

By: **Senator Muse**
Introduced and read first time: February 1, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – Forest Heights**
3 **Municipal Building**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$300,000, the proceeds to be used as a grant to the Mayor and Town Council of
6 the Town of Forest Heights for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds; establishing a deadline for the
8 encumbrance or expenditure of the loan proceeds; and providing generally for
9 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 Prince
14 George’s County – Forest Heights Municipal Building Loan of 2007 in the total
15 principal amount of \$300,000. 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
20 as a single issue or may be consolidated and sold as part of a single issue of bonds
21 under § 8–122 of the State Finance and Procurement Article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Mayor and Town Council of the Town
7 of Forest Heights for the repair, renovation, reconstruction, and capital equipping of
8 the Forest Heights Municipal Building, located in Forest Heights.

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

13 (5) The proceeds of the loan must be expended or encumbered by the Board
14 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
15 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
16 the amount of the unencumbered or unexpended authorization shall be canceled and
17 be of no further effect. If bonds have been issued for the loan, the amount of
18 unexpended or unencumbered bond proceeds shall be disposed of as provided in
19 § 8-129 of the State Finance and Procurement Article.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2007.