

# SENATE BILL 332

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CF HB 330

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By: **Senators Frosh, Forehand, Garagiola, King, Kramer, Lenett, Madaleno, and Raskin**

Introduced and read first time: January 28, 2010

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Ivymount School Annex**  
3 **Building**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Ivymount  
6 School, Inc. for certain development or improvement purposes; providing for  
7 disbursement of the loan proceeds, subject to a requirement that the grantee  
8 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 Montgomery  
15 County – Ivymount School Annex Building Loan of 2010 in a total principal amount  
16 equal to the lesser of (i) \$400,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
20 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold  
22 as a single issue or may be consolidated and sold as part of a single issue of bonds  
23 under § 8–122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
25 and first shall be applied to the payment of the expenses of issuing, selling, and  
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 shall be credited on the books of the Comptroller and expended, on approval by the  
2 Board of Public Works, for the following public purposes, including any applicable  
3 architects' and engineers' fees: as a grant to the Board of Directors of the Ivymount  
4 School, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,  
5 construction, renovation, and capital equipping of the Ivymount School Annex  
6 Building, located in Rockville.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund. No part of the grantee's matching fund may be provided, either  
14 directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. No part of the fund may consist of real property or in kind  
16 contributions. The fund may consist of funds expended prior to the effective date of  
17 this Act. In case of any dispute as to the amount of the matching fund or what money  
18 or assets may qualify as matching funds, the Board of Public Works shall determine  
19 the matter and the Board's decision is final. The grantee has until June 1, 2012, to  
20 present evidence satisfactory to the Board of Public Works that a matching fund will  
21 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
22 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
23 equal to the amount of the matching fund shall be expended for the purposes provided  
24 in this Act. Any amount of the loan in excess of the amount of the matching fund  
25 certified by the Board of Public Works shall be canceled and be of no further effect.

26 (6) The proceeds of the loan must be expended or encumbered by the Board  
27 of Public Works for the purposes provided in this Act no later than June 1, 2017. If any  
28 funds authorized by this Act remain unexpended or unencumbered after June 1, 2017,  
29 the amount of the unencumbered or unexpended authorization shall be canceled and  
30 be of no further effect. If bonds have been issued for the loan, the amount of  
31 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
32 § 8-129 of the State Finance and Procurement Article.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 June 1, 2010.