

SENATE BILL 447

B2

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CF 0lr2408

By: **Senator Middleton**

Introduced and read first time: February 1, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Charles County – Potomac Heights Housing**
3 **Complex**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of \$75,000,
5 the proceeds to be used as a grant to the Board of Directors of the Potomac
6 Heights Mutual Home Owners' Association, Inc. for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds;
8 establishing a deadline for the encumbrance or expenditure of the loan
9 proceeds; and providing generally for the issuance and sale of bonds evidencing
10 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 Charles
15 County – Potomac Heights Housing Complex Loan of 2010 in the total principal
16 amount of \$75,000. 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 Works
18 and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
19 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
21 as a single issue or may be consolidated and sold as part of a single issue of bonds
22 under § 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 architects' and engineers' fees: as a grant to the Board of Directors of the Potomac
2 Heights Mutual Home Owners' Association, Inc. for the planning, design, repair,
3 renovation, reconstruction, and capital equipping of the Potomac Heights housing
4 complex, including installation and improvement of a stormwater management
5 system, located in Potomac Heights.

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

10 (5) The proceeds of the loan must be expended or encumbered by the Board
11 of Public Works for the purposes provided in this Act no later than June 1, 2017. If any
12 funds authorized by this Act remain unexpended or unencumbered after June 1, 2017,
13 the amount of the unencumbered or unexpended authorization shall be canceled and
14 be of no further effect. If bonds have been issued for the loan, the amount of
15 unexpended or unencumbered bond proceeds shall be disposed of as provided in
16 § 8–129 of the State Finance and Procurement Article.

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