

SENATE BILL 675

B2

4r1848
CF 4r2963

By: **Senators King, Feldman, Forehand, Madaleno, Manno, Montgomery, Raskin, and Young**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – MdBio STEM Education**
3 **Equipment Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000,
5 the proceeds to be used as a grant to the Board of Directors of the MdBio
6 Foundation, Inc. for certain development or improvement purposes; providing
7 for 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 – MdBio STEM Education Equipment Project Loan of 2014 in a total principal
16 amount equal to the lesser of (i) \$200,000 or (ii) the amount of the matching fund
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance
20 with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and Procurement
21 Article.

22 (2) The bonds to evidence this loan or installments of this loan may be sold
23 as a single issue or may be consolidated and sold as part of a single issue of bonds
24 under § 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to the Board of Directors of the MdBio
5 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the acquisition,
6 planning, design, construction, repair, renovation, reconstruction, and capital
7 equipping of the MdBio STEM Education Equipment Project, located in Montgomery
8 County.

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) Prior to the payment of any funds under the provisions of this Act for the
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
15 matching fund. No part of the grantee's matching fund may be provided, either
16 directly or indirectly, from funds of the State, whether appropriated or
17 unappropriated. No part of the fund may consist of real property. The fund may
18 consist of in kind contributions or funds expended prior to the effective date of this
19 Act. In case of any dispute as to the amount of the matching fund or what money or
20 assets may qualify as matching funds, the Board of Public Works shall determine the
21 matter and the Board's decision is final. The grantee has until June 1, 2016, to present
22 evidence satisfactory to the Board of Public Works that a matching fund will be
23 provided. If satisfactory evidence is presented, the Board shall certify this fact and the
24 amount of the matching fund to the State Treasurer, and the proceeds of the loan
25 equal to the amount of the matching fund shall be expended for the purposes provided
26 in this Act. Any amount of the loan in excess of the amount of the matching fund
27 certified by the Board of Public Works shall be canceled and be of no further effect.

28 (6) The proceeds of the loan must be expended or encumbered by the Board
29 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
30 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
31 the amount of the unencumbered or unexpended authorization shall be canceled and
32 be of no further effect. If bonds have been issued for the loan, the amount of
33 unexpended or unencumbered bond proceeds shall be disposed of as provided in
34 § 8-129 of the State Finance and Procurement Article.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 June 1, 2014.