

SENATE BILL 263

B2

5lr1999
CF 5lr2001

By: **Senator DeGrange**

Introduced and read first time: February 4, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Anne Arundel County – Chesapeake Arts Center**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$150,000, the
4 proceeds to be used as a grant to the Board of Directors of the Chesapeake Arts
5 Center, Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds; establishing a deadline for the encumbrance or
7 expenditure of the loan proceeds; and providing generally for the issuance and sale
8 of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Anne Arundel
13 County – Chesapeake Arts Center Loan of 2015 in the total principal amount of \$150,000.
14 This loan shall be evidenced by the issuance, sale, and delivery of State general obligation
15 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
16 delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and
17 Procurement Article.

18 (2) The bonds to evidence this loan or installments of this loan may be sold as a
19 single issue or may be consolidated and sold as part of a single issue of bonds under §
20 8–122 of the State Finance and Procurement Article.

21 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
22 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
23 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
24 the books of the Comptroller and expended, on approval by the Board of Public Works, for
25 the following public purposes, including any applicable architects' and engineers' fees: as a
26 grant to the Board of Directors of the Chesapeake Arts Center, Inc. for the acquisition,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 planning, design, construction, repair, renovation, reconstruction, and capital equipping of
2 the Chesapeake Arts Center, located in Anne Arundel County.

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

7 (5) The proceeds of the loan must be expended or encumbered by the Board of
8 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds
9 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the
10 amount of the unencumbered or unexpended authorization shall be canceled and be of no
11 further effect. If bonds have been issued for the loan, the amount of unexpended or
12 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
13 Finance and Procurement Article.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2015.