

HOUSE BILL 587

B2

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CF SB 263

By: **Delegates Jones, Aumann, Bohanan, Branch, Burns, Cane, Carr, Conway, Davis, DeBoy, Doory, Dumais, Eckardt, Gaines, Glenn, Griffith, Haddaway, Hammen, Haynes, Howard, Lafferty, Levy, Love, McIntosh, Nathan-Pulliam, Proctor, and F. Turner**

Introduced and read first time: February 3, 2010

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Maryland Affordable Housing Trust**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$2,000,000, the proceeds to be used as a grant to the Board of Trustees of the
5 Maryland Affordable Housing Trust, Inc. for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds;
7 establishing a deadline for the encumbrance or expenditure of the loan
8 proceeds; and providing generally for the issuance and sale of bonds evidencing
9 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 Maryland
14 Affordable Housing Trust Loan of 2010 in the total principal amount of \$2,000,000.
15 This loan shall be evidenced by the issuance, sale, and delivery of State general
16 obligation bonds authorized by a resolution of the Board of Public Works and issued,
17 sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance
18 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.

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

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 Trustees of the Maryland
4 Affordable Housing Trust, Inc. for awards to help acquire, build, rehabilitate, and
5 preserve affordable housing and to help nonprofit organizations develop affordable
6 housing.

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) The proceeds of the loan must be expended or encumbered by the Board
12 of Public Works for the purposes provided in this Act no later than June 1, 2017. If any
13 funds authorized by this Act remain unexpended or unencumbered after June 1, 2017,
14 the amount of the unencumbered or unexpended authorization shall be canceled and
15 be of no further effect. If bonds have been issued for the loan, the amount of
16 unexpended or unencumbered bond proceeds shall be disposed of as provided in
17 § 8-129 of the State Finance and Procurement Article.

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