

# HOUSE BILL 672

B2

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CF SB 730

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By: **Delegates Beidle, Love, Sophocleus, Barnes, Busch, Costa, Frush, Kipke, and Pena-Melnyk**

Introduced and read first time: February 9, 2011

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Anne Arundel County – Reece Road Community**  
3 **Health Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000,  
5 the proceeds to be used as a grant to the Board of Trustees of the People's  
6 Community Health Center, Inc. for certain development or improvement  
7 purposes; providing for disbursement of the loan proceeds, subject to a  
8 requirement that the grantee provide and expend a matching fund; establishing  
9 a deadline for the encumbrance or expenditure of the loan proceeds; and  
10 providing generally for 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 Anne Arundel  
15 County – Reece Road Community Health Center Loan of 2011 in a total principal  
16 amount equal to the lesser of (i) \$250,000 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 of the State Finance and Procurement Article and  
21 Article 31, § 22 of the Code.

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

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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 Trustees of the People's  
5 Community Health Center, Inc. (referred to hereafter in this Act as "the grantee") for  
6 the construction and build-out of the Reece Road Community Health Center, located  
7 in Severn.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the  
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
14 matching fund. No part of the grantee's matching fund may be provided, either  
15 directly or indirectly, from funds of the State, whether appropriated or  
16 unappropriated. No part of the fund may consist of real in kind contributions. The  
17 fund may consist of real property and funds expended prior to the effective date of this  
18 Act. In case of any dispute as to the amount of the matching fund or what money or  
19 assets may qualify as matching funds, the Board of Public Works shall determine the  
20 matter and the Board's decision is final. The grantee has until June 1, 2013, to present  
21 evidence satisfactory to the Board of Public Works that a matching fund will be  
22 provided. If satisfactory evidence is presented, the Board shall certify this fact and the  
23 amount of the matching fund to the State Treasurer, and the proceeds of the loan  
24 equal to the amount of the matching fund shall be expended for the purposes provided  
25 in this Act. Any amount of the loan in excess of the amount of the matching fund  
26 certified by the Board of Public Works shall be canceled and be of no further effect.

27 (6) The proceeds of the loan must be expended or encumbered by the Board  
28 of Public Works for the purposes provided in this Act no later than June 1, 2018. If any  
29 funds authorized by this Act remain unexpended or unencumbered after June 1, 2018,  
30 the amount of the unencumbered or unexpended authorization shall be canceled and  
31 be of no further effect. If bonds have been issued for the loan, the amount of  
32 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
33 § 8-129 of the State Finance and Procurement Article.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 June 1, 2011.