

SENATE BILL 445

B2

11r1833
CF HB 323

By: **Senators Garagiola, Frosh, Forehand, King, Madaleno, Manno, and Montgomery**

Introduced and read first time: February 4, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Ivymount School Annex**
3 **Building**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,
5 the proceeds to be used as a grant to the Board of Directors of the Ivymount
6 School, Inc. for certain development or improvement purposes; providing for
7 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 – Ivymount School Annex Building Loan of 2011 in a total principal amount
16 equal to the lesser of (i) \$400,000 or (ii) the amount of the matching fund provided in
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and delivery of State general obligation bonds authorized by a resolution of the Board
19 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
20 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 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 Directors of the Ivymount
4 School, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,
5 construction, renovation, and capital equipping of the Ivymount School Annex
6 Building, located in Rockville.

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

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

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