

SENATE BILL 233

B2

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

Introduced and read first time: January 27, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Battleridge Place Stream**
3 **Valley Restoration**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$20,000, the
5 proceeds to be used as a grant to the Board of Directors of Stedwick Homes
6 Corporation, 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 – Battleridge Place Stream Valley Restoration Loan of 2011 in a total principal
16 amount equal to the lesser of (i) \$20,000 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

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 Stedwick Homes
5 Corporation, Inc. (referred to hereafter in this Act as "the grantee") for the repair and
6 renovation of the Battleridge Place stream valley, located in Montgomery Village.

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. No part of the fund may consist of real property, in kind
16 contributions, or funds expended prior to the effective date of this Act. In case of any
17 dispute as to the amount of the matching fund or what money or assets may qualify as
18 matching funds, the Board of Public Works shall determine the matter and the
19 Board's decision is final. The grantee has until June 1, 2013, to present evidence
20 satisfactory to the Board of Public Works that a matching fund will be provided. If
21 satisfactory evidence is presented, the Board shall certify this fact and the amount of
22 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
23 amount of the matching fund shall be expended for the purposes provided in this Act.
24 Any amount of the loan in excess of the amount of the matching fund certified by the
25 Board of Public Works 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.