

SENATE BILL 425

B2

4r0777
CF 4r0769

By: **Howard County Senators**

Introduced and read first time: January 24, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Howard County – Historic Belmont Property and**
3 **Historic Garden Restoration**

4 **Ho. Co. 6–14**

5 FOR the purpose of authorizing the creation of a State Debt not to exceed \$125,000,
6 the proceeds to be used as a grant to the County Executive and County Council
7 of Howard County for certain development or improvement purposes; providing
8 for disbursement of the loan proceeds, subject to a requirement that the grantee
9 provide and expend a matching fund; establishing a deadline for the
10 encumbrance or expenditure of the loan proceeds; and providing generally for
11 the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Howard
16 County – Historic Belmont Property and Historic Garden Restoration Loan of 2014 in
17 a total principal amount equal to the lesser of (i) \$125,000 or (ii) the amount of the
18 matching fund provided in accordance with Section 1(5) below. This loan shall be
19 evidenced by the issuance, sale, and delivery of State general obligation bonds
20 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
21 in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and
22 Procurement Article.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the County Executive and County Council
7 of Howard County (referred to hereafter in this Act as "the grantee") for the
8 acquisition, planning, design, construction, repair, renovation, reconstruction, and
9 capital equipping of the Historic Belmont Property and Historic Garden, located in
10 Howard County.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund. No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. No part of the fund may consist of real property, in kind
20 contributions, or funds expended prior to the effective date of this Act. In case of any
21 dispute as to the amount of the matching fund or what money or assets may qualify as
22 matching funds, the Board of Public Works shall determine the matter and the
23 Board's decision is final. The grantee has until June 1, 2016, to present evidence
24 satisfactory to the Board of Public Works that a matching fund will be provided. If
25 satisfactory evidence is presented, the Board shall certify this fact and the amount of
26 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
27 amount of the matching fund shall be expended for the purposes provided in this Act.
28 Any amount of the loan in excess of the amount of the matching fund certified by the
29 Board of Public Works shall be canceled and be of no further effect.

30 (6) The proceeds of the loan must be expended or encumbered by the Board
31 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
32 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
33 the amount of the unencumbered or unexpended authorization shall be canceled and
34 be of no further effect. If bonds have been issued for the loan, the amount of
35 unexpended or unencumbered bond proceeds shall be disposed of as provided in
36 § 8-129 of the State Finance and Procurement Article.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 June 1, 2014.