

SENATE BILL 896

B2

8lr3345
CF HB 1457

By: **Senators Exum, Currie, Harrington, and Muse**

Introduced and read first time: February 18, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – United Communities**
3 **Against Poverty Facility**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
5 the proceeds to be used as a grant to the Board of Directors of the United
6 Communities Against Poverty, 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 Prince
15 George’s County – United Communities Against Poverty Facility Loan of 2008 in a
16 total principal amount equal to the lesser of (i) \$500,000 or (ii) the amount of the
17 matching fund provided in accordance with Section 1(5) below. This loan shall be
18 evidenced by the issuance, sale, and delivery of State general obligation bonds
19 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
20 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement
21 Article and 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
27 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 United
4 Communities Against Poverty, Inc. (referred to hereafter in this Act as "the grantee")
5 for the planning, design, renovation, construction, reconstruction, and capital
6 equipping of the United Communities Against Poverty facility, located in Capitol
7 Heights.

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. The fund may consist of real property, in kind contributions, or funds
17 expended prior to the effective date of this Act. In case of any dispute as to the amount
18 of the matching fund or what money or assets may qualify as matching funds, the
19 Board of Public Works shall determine the matter and the Board's decision is final.
20 The grantee has until June 1, 2010, to present evidence satisfactory to the Board of
21 Public Works that a matching fund will be provided. If satisfactory evidence is
22 presented, the Board shall certify this fact and the amount of the matching fund to the
23 State Treasurer, and the proceeds of the loan equal to the amount of the matching
24 fund shall be expended for the purposes provided in this Act. Any amount of the loan
25 in excess of the amount of the matching fund certified by the Board of Public Works
26 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, 2015. If any
29 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
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, 2008.