

Bill No.: _____

Requested: _____

Committee: _____

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By: **Howard County Delegation**

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Howard County – Watson Telescope Observatory**

3 **Ho. Co. 11–10**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$25,000, the
5 proceeds to be used as a grant to the Board of Directors of the Howard
6 Astronomical League of Central Maryland, Inc. for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing
11 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 – Watson Telescope Observatory Loan of 2010 in a total principal amount
17 equal to the lesser of (i) \$25,000 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
2 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

6 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
7 and first shall be applied to the payment of the expenses of issuing, selling, and
8 delivering the bonds, unless funds for this purpose are otherwise provided, and then
9 shall be credited on the books of the Comptroller and expended, on approval by the
10 Board of Public Works, for the following public purposes, including any applicable
11 architects' and engineers' fees: as a grant to the Board of Directors of the Howard
12 Astronomical League of Central Maryland, Inc. (referred to hereafter in this Act as
13 "the grantee") for the planning, design, and construction of the Watson Telescope
14 Observatory, located in Marriottsville.

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

19 (5) Prior to the payment of any funds under the provisions of this Act for the
20 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
21 matching fund. No part of the grantee's matching fund may be provided, either
22 directly or indirectly, from funds of the State, whether appropriated or
23 unappropriated. The fund may consist of real property, in kind contributions, or funds
24 expended prior to the effective date of this Act. In case of any dispute as to the amount
25 of the matching fund or what money or assets may qualify as matching funds, the
26 Board of Public Works shall determine the matter and the Board's decision is final.
27 The grantee has until June 1, 2012, to present evidence satisfactory to the Board of
28 Public Works that a matching fund will be provided. If satisfactory evidence is
29 presented, the Board shall certify this fact and the amount of the matching fund to the
30 State Treasurer, and the proceeds of the loan equal to the amount of the matching
31 fund shall be expended for the purposes provided in this Act. Any amount of the loan
32 in excess of the amount of the matching fund certified by the Board of Public Works
33 shall be canceled and be of no further effect.

1 (6) The proceeds of the loan must be expended or encumbered by the Board
2 of Public Works for the purposes provided in this Act no later than June 1, 2017. If any
3 funds authorized by this Act remain unexpended or unencumbered after June 1, 2017,
4 the amount of the unencumbered or unexpended authorization shall be canceled and
5 be of no further effect. If bonds have been issued for the loan, the amount of
6 unexpended or unencumbered bond proceeds shall be disposed of as provided in
7 § 8–129 of the State Finance and Procurement Article.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2010.