Bond Bill Drafting Guide

Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland

September 2005

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 • Washington Area: 301-970-5400
Other Areas: 1-800-492-7122, Extension 5400
TDD: 410-946-5401 • 301-970-5401
Maryland Relay Service: 1-800-735-2258
E-mail: libr@mlis.state.md.us

The Department of Legislative Services does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the admission or access to its programs or activities. The Information Officer has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.

Contents

Overview of the Capital Budget Process 1

Eligibility for Capital Funding 1

Bond Bill Process – General Overview 2

Drafting a Bond Bill 3

Prior Authorizations 7

Other Useful Information 9

Appendix 1. Bond Bill Information Form 11

Appendix 2. Examples of a Bond Bill 13

- Unequal Match 13
- Equal Hard Match 15
- Grant 17
- Soft Match 19
- Soft Match 21
- Soft Match 23
- Nonsectarian Clause 25
- Historic Easement 27
- Maryland Hospital Association Project 31

Appendix 3. County Grantees 33

Appendix 4A. Examples of Prior Authorizations – Traditional Approach 35

Appendix 4B. Examples of Prior Authorizations – Alternative Approach 41

Appendix 5. Bond Bill Contact Information 45

Appendix 6. State Funding of Local Projects – Bond Bills 47

Appendix 7. Directions for Proofreading Bond Bills 51

Bond Bill Drafting Guide

Overview of the Capital Budget Process

Each year the General Assembly approves the issuance of State debt, through the sale of general obligation bonds to institutional investors, to fund the majority of the State's capital projects. This approval is granted through two main types of bills: (1) the Maryland Consolidated Capital Bond Loan (MCCBL), commonly referred to as the capital bond bill or the capital budget, and (2) individual bond bills. The MCCBL is primarily used to finance the construction, repair, renovation, and restoration of State owned and operated facilities, as well as other projects that benefit the State. Individual bond bills are used to finance projects initiated by members of the General Assembly. In recent years, the General Assembly has amended the MCCBL to provide funding for projects originally introduced as bond bills.

For a more in-depth discussion of the structure of State debt and the issuance of bonds, the State's capital program, and the capital budget process and debt affordability, see Volume IV – "Maryland's Budget Process" of the 2002 Legislative Handbook Series published by the Department of Legislative Services (DLS).

Eligibility for Capital Funding

The State may use the proceeds of State general obligation bonds only to fund capital improvements as required by § 8-127 of the State Finance and Procurement Article. A project must meet certain requirements to be considered a capital project.

Useful Life

The project must have a useful life of 15 or more years.[1] Therefore, capital projects usually involve land or structures. Operating costs, such as employee salaries and expendable equipment (such as automobiles and computers) do not have a 15-year life and, thus, are not capital projects. A capital lease of at least 15 years qualifies as a capital expense.

Nonsectarian Purposes

The constitutional doctrine of separation of church and State prohibits the State from providing funds for projects which will be used for sectarian, religious purposes. For example, State funds may not be used to construct a building in which religious services will be held. However, the State may provide funds to a religious organization for a project that will not be used for religious purposes, such as money provided to a church to build a facility to provide

[1] Article III, § 34 of the Maryland Constitution limits the term of State bonds to 15 years. Section 8-127(b) of the State Finance and Procurement Article generally provides that the proceeds of a sale of State bonds may only be used for a capital improvement project. The subsection further provides that a project is a capital improvement if it has a useful life that equals or exceeds the term of the bonds. Therefore, a project must have a useful life of at least 15 years to be considered a capital improvement.

nonreligious preschool programs. Bond bills granting money to religious organizations include boilerplate language prohibiting the use of the grant or the matching funds from being used for religious purposes.

Historic Easements

The Maryland Historical Trust (MHT) may request that bond bills that involve historic structures contain language requiring the grantee to grant an historic easement to MHT. The General Assembly generally agrees to MHT's requests for easements. Further discussion of historic easement clauses is provided later in this document.

Bond Bill Process – General Overview

Any entity may request that a legislator submit an individual bond bill to the General Assembly to fund a capital project. Usual grantees include nonprofit organizations and local governments. Typically, the projects that obtain funding benefit the public in some manner. Individual bond bills are limited to a specific amount of money and a specific project and must meet the constitutional and statutory mandates imposed on all legislation creating public debt in Maryland.

Although bond bills must pass through the legislative process in the same manner as other legislation, they are treated in a distinct manner by the Senate Budget and Taxation Committee and the House Committee on Appropriations, the committees with jurisdiction over bond bills.

- First, bond bills are usually considered late in session, even if they were prefiled before the session began. The budget committees must report the operating budget to the floor of their respective houses before they may report the capital budget to the floor. When the budget committees make their decisions about the total amount of debt to be authorized in a fiscal year, they consider both the debt authorized by the capital budget bill and by individual bond bills. Thus, bond bills and the capital budget bill move through the legislative process as a package.

- Secondly, bond bills must be crossfiled – that is, identical versions of the bill are introduced in both chambers of the General Assembly.[2] The drafter should inform the individual requesting a bond bill or the grantee organization of this requirement. Because the General Assembly acts on bond bills very late in the session and the capital budget conference committee generally makes its decisions on bond bills the weekend before Sine Die, it is important that the crossfiles be **identical**. The spreadsheet used to track bond bill fact sheets can be used to ensure that crossfiles are identical.

Beginning with the 2005 session, DLS assumed responsibility for preparing bond bill fact sheets previously prepared by the Department of Budget and Management. These documents

[2] Bills which amend bond bills or projects funded in an MCCBL enacted in prior years, known as prior authorizations, need not be crossfiled.

were commonly known as "brownsheets" because of the color (beige) of the paper on which they were printed. The formerly known "brownsheets" documents, now called bond bill fact sheets, are to be based on information received by the grantee/recipient of the bond bill proceeds that is named in the bond bill. After taking a bond bill request, the drafter should contact the proposed grantees to direct them to the General Assembly web site where they can find the bond bill information template and instruct them to send the completed forms to the DLS email account dedicated to the receipt of bond bill fact sheets. The drafter should note the contact in the spreadsheet used to track the bond bill fact sheet process.

Drafting a Bond Bill

Bond Bill Requests

A legislator begins the bond bill process by submitting a request to DLS. Before drafting a bond bill, the drafter must obtain the following information about the project:

- the amount of money requested;
- the correct legal name of the grantee (recipient of the money);
- the proposed use of the funds;
- whether or not a matching fund will be provided by the grantee; and
- if a matching fund is to be provided, the amount and type of match to be provided.

Appendix 1 provides a form that may be used to collect all the information needed to draft a bond bill.

Short Title

The short titles of bond bills follow the following model: Creation of a State Debt – Name of County Where Project Is Located – Name of Project. Only one exception exists for the short title model: hospital projects recommended by the Maryland Hospital Association (MHA) do not include a county name. The short titles of MHA projects should follow this model: Creation of a State Debt – Name of Hospital.[3] The drafter should be sure to use the correct legal name of the hospital or project, rather than a shortened version or an abbreviation.

[3] Each year, MHA reviews requests for State capital funding by hospitals and makes recommendations for funding to the Governor and the General Assembly. The General Assembly generally defers to MHA's recommendations. In early fall, the bond bill drafters should contact MHA to obtain a copy of MHA's recommendations.

Purpose Paragraph

The purpose paragraph generally consists of boilerplate language. The information in the purpose paragraph should specify:

- the project to be funded;
- the name of the grantee;
- the amount of State funding requested;
- whether a matching fund is required; and
- any special conditions, such as historic easements or nonsectarian clauses, included in the bill.

The bill drafting system includes boilerplate language for bond bills. The boilerplate language provides a purpose paragraph. The drafter simply needs to add the specific details for the project.

Body of the Bill

The boilerplate language for bond bills is found in § 8-117 of the State Finance and Procurement Article and is included in the bill drafting system. Because most of the language in bond bills is mandated by statutory or constitutional requirements, the drafter should exercise extreme caution in deviating from the boilerplate. In the rare case that the drafter believes a change to the boilerplate is required, it may be useful to contact the Principal Counsel for the Treasurer's Office to discuss the proposed changes. **Appendix 2** contains examples of bond bills.

Authorization of Board of Public Works

Paragraph (1) under Section 1 of a bond bill authorizes the Board of Public Works to borrow and incur indebtedness through the issuance of general obligation bonds. This paragraph includes the name of the loan (County Name – Project Name Loan of Session Year) and the total amount authorized. The project name should match the short title of the bill, without the "Creation of a State Debt" clause. The amount of the grant included in paragraph (1) should match the amount of the grant in the purpose paragraph. The boilerplate varies based on the type of match required, if any. A more detailed discussion of match requirements is provided in the description of paragraph (5).

Consolidation of Bonds

Paragraph (2) of Section 1 of the bill specifies that the bonds may be consolidated or sold as a single issue. The drafter should never modify this paragraph.

Use of Proceeds of the Sale of Bonds

Paragraph (3) specifies the use of the proceeds of the sale of the bonds. The following words are generally used in the description of the use of the grant proceeds:

- acquisition;
- planning;
- design;
- construction;
- repair;
- renovation;
- reconstruction; and
- capital equipping.

The drafter should choose the appropriate purposes from this list. If the words on the list do not cover all of the uses of the grant, the drafter may add additional descriptive terms.

The description of the project in paragraph (3) must include the location of the project. It is preferable to simply provide the town in which the project is to be located, rather than a street address. Using a broader location description eliminates the need to alter the location through a prior authorization if the grantee decides to purchase a different property than originally planned. However, if the bond proceeds will be used to modify a property that the grantee already owns, it is acceptable to specify a street address.

Paragraph (3) also includes the name of the grantee, which should be identical to the name of the grantee in the purpose paragraph. The drafter should be sure to use the correct legal name of the grantee. If the grantee is a corporation, the grantee typically should be the board of directors of the corporation. The word "Incorporated" should typically be included. If the grantee is a town or county, the grantee should be the appropriate governing body, such as the mayor and town council of the town. **Appendix 3** includes a list of grantees for each of the counties in Maryland.

Taxation to Repay the Bonds

Paragraph (4) imposes a tax on assessable property in the State to repay the bonds and provides that the principal on the bonds must be paid within 15 years of issuance. This paragraph should never be modified.

Matching Funds

Paragraph (5) requires the grantee to provide and expend a matching fund. Most bond bills require an equal match (such as a match of $100,000 for a $100,000 grant). The grantee must generally provide evidence of the availability of the match to the Board of Public Works within two years of the effective date of the bill. This date is included in the boilerplate. If the required match is equal to the amount of the grant, the bill will not specify the amount of the match. If the bill requires the grantee to provide an unequal match (such as a match of $50,000 for a grant of $100,000), paragraph (5) will specify the amount of the match.[4] If the bond bill provides a grant without a matching fund requirement, the bill will not contain paragraph (5).

If no match type is specified, the match is called a "hard match" and the following boilerplate language should be included: "No part of the fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act." The bill drafting system provides this language as a default for all bond bills which require a match. In this situation, the grantee must match the State grant with money expended after the effective date of the bill.

Sometimes a bond bill may authorize a "soft match." Bond bills may authorize any or all of three types of soft matches.

- First, a bond bill may authorize the grantee to match the State funds with real property.

- Second, a bond bill may authorize the use of in kind contributions for a match. In kind contributions include goods or services, such as a donation of labor by a local contractor.

- Finally, a bond bill may authorize matching the State grant with funds expended before the effective date of the bill.

If the grantee intends to use a soft match, the drafter should simply modify the boilerplate to authorize the appropriate type of soft match. For example, if the bill is to authorize the use of prior expended funds, the relevant language would read as follows: "No part of the fund may consist of real property or in kind contributions. The fund may consist of funds expended prior to the effective date of this Act." In some situations, a grantee may wish to match the State grant with in kind contributions made before the effective date of the bill, such as donated labor performed the prior year. In this case, the drafter should be sure to include language to authorize the use of the appropriate types of soft matches. In the previous example, the drafter would include language to allow the use of both prior expended funds and in kind contributions.

---

[4] If the bill provides for an unequal match, the match amount only appears in paragraph (5). The match amount should not be included in the purpose paragraph. The bill drafting system provides the appropriate language.

Nonsectarian Clause

A bond bill may include a special paragraph relating to a grant to a religious organization, called a nonsectarian clause. If the grantee has any religious affiliation at all, the drafter should include the nonsectarian clause. If a nonsectarian clause is included, the purpose paragraph should reference the nonsectarian clause. The bill drafting system includes a boilerplate nonsectarian clause. The drafter should not modify this boilerplate.

Historic Easement Clause

A bond bill may include a paragraph requiring that the grantee grant a preservation easement to MHT. When originally drafting a bond bill, the drafter should determine if the project involves an historic structure. If so, the drafter should include the boilerplate historic easement paragraph in the bill drafting system. If the sponsor insists that a preservation easement requirement not be included, the drafter may remove the requirement. The drafter should not modify the historic easement paragraph. Before the budget committees make decisions on bond bills, MHT will identify all the projects upon which it would like an historic easement.

Encumbrance or Expenditure of Proceeds within Seven Years

The final paragraph of a bond bill requires that the proceeds of the loan must be encumbered by the Board of Public Works or expended within seven years of the effective date of the bill. This boilerplate language should not be modified.

Effective Date

The effective date of all bond bills is June 1 of the session year and is always the last section of a bond bill.

Prior Authorizations

A legislator may request legislation to modify a bond bill that had been enacted in a prior session. Such a proposal is commonly called a prior authorization because it proposes to amend the authorization to issue bonds to finance a particular capital project that was approved in a prior legislative session. Typical reasons for requesting a prior authorization include an extension of the period by which the grantee must provide the matching fund, a change in the purpose of the grant, an extension of the period by which the funds must be expended or encumbered, or a change in the location of the project.[5]

[5] A prior authorization may not be used to alter the amount of funding authorized for a project. If the amount of funding needs to be changed, the General Assembly may make that change by passing a new bond bill or by increasing or decreasing funding through the MCCBL.

Traditional Approach

Traditionally, local projects were funded through the passage of individual bond bills. The following discussion describes drafting a bill to amend a bond bill passed in a prior session.

The short title of a prior authorization drafted using the traditional approach should be the name of the loan (County Name – Project Name Loan of Session Year Originally Enacted). The name of the loan can be found in paragraph (1) of the bond bill.

The function paragraph of a prior authorization bill should reference the chapter and year of the bond bill that is to be amended by the bill being drafted. In the line below the chapter reference, the section of the bond bill that is affected should be cited.

The purpose paragraph should include the type of change being made and the name of the loan in the previously enacted bill. If the previously enacted bill has been altered in a prior session, the purpose paragraph should reference those previous amendments.

The body of the bill should set forth the text of the item to be amended using the standard symbology to indicate that which is to be deleted from the law (a bond bill, while uncodified, is nonetheless a law) and that which is to be added to the law.

Examples of prior authorizations drafted in the traditional approach are provided in **Appendix 4A**.

Alternative Approach

During the 2002, 2003, and 2004 sessions, the General Assembly did not pass any bond bills for reasons that generally related to the State's fiscal condition. However, beginning in the 2002 session, the capital budget has been amended to provide funding for MHA projects, and beginning in the 2004 session, the capital budget has been amended to include some of the projects that had been encompassed in individual bond bills. In prior years, these projects usually would have been enacted as individual bond bills. As a result of the manner in which the General Assembly dealt with bond bills by rolling certain projects into the MCCBL, if a legislator requests a bill that would amend a project funded in the MCCBL, the MCCBL will have to be amended. Such a bill is to be drafted in a format, by necessity, that will differ from a bill request that would amend an individual bond bill.

The short title of bills altering hospital projects will first reference the MCCBL of the specific year. Bills altering other projects will reference in their short title the specific loan authorized in the MCCBL (see, for example, § 13 of Chapter 204 of the Acts of 2003). The short title of a nonhospital project will reference the county in which the project is located. The short title for either type will next reference the name of the project. The short title of a prior authorization that amends a project funded in the MCCBL should first reference the relevant loan (see, for example, Chapter 9 of the Acts of 2005, Legislative Community Initiatives Loan of 2004 – Baltimore City – Baltimore Zoo Trams).

The purpose paragraph for a prior authorization bill using the alternative approach to drafting should include the type of change being made and the name of the loan being amended.

The function paragraph of a prior authorization bill should reference the chapter and year of the MCCBL that is to be amended by the bill being drafted. In the line below the chapter reference, the section of the MCCBL that is affected should be fully cited by stating the correct section, paragraph, and item number.

The body of the bill should set forth the text of the item to be amended using the standard symbology to indicate that which is to be deleted from the law (the MCCBL, while uncodified, is nonetheless a law) and that which is to be added to the law.

If the bill is intended to change the nature of the matching fund from a hard match to a soft match, it will be necessary to insert language that states that the provision included elsewhere in the MCCBL in a separate paragraph that mandates a hard match does not apply to the situation at hand. An example of the typical language to effectuate this exemption is "Notwithstanding Section ___ of this Act, the matching fund may consist of real property or in kind contributions" or some variation of that language. Examples of prior authorizations using the alternative approach for drafting are included in **Appendix 4B**.

Other Useful Information

The appendices provide additional information that the drafter may find helpful. In addition to the documents previously mentioned, the following are included as appendices:

- **Appendix 5** contains the names and phone numbers of individuals who are useful bond bill resources;

- **Appendix 6** is a brochure that discusses the bond bill process and may be provided to members and interest groups; and

- **Appendix 7** contains directions for proofreading bond bills which can help a drafter avoid common pitfalls in drafting bond bills.

Appendix 1. Bond Bill Information Form

Name of Project:

County:

Amount Requested:

Contact Person (include address and phone number):

Name of Recipient:

- Legal name (if a corporation, the name should be exactly as it appears in the Articles of Incorporation)

- Legal status (e.g., corporation, local government, etc.)

- If a corporation, is the board a board of directors or a board of trustees?

Address of Project and Recipient:
If project and recipient have different addresses, include both.

Purpose (check all that apply):

___ acquisition
___ planning
___ design
___ construction
___ repair
___ renovation
___ reconstruction
___ capital equipping

Other:

Matching Fund:
Amount:

___ equal
___ unequal (amount: _____)

Type (check all that apply):

___ money
___ real property
___ in kind (e.g., donated services)
___ funds expended before June 1

Does the project involve a historic structure?

Does the project or grantee have any religious affiliation or involvement?

Previous bond bill requests (year and bill number):

Appendix 2. Examples of Bond Bills

Unequal Match

SENATE BILL 146

B2 4lr1622

By: **Senators Kasemeyer, Hughes, and McFadden**
Introduced and read first time: January 23, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Baltimore City – Baltimore Zoo Trams

FOR the purpose of authorizing the creation of a State Debt in the amount of $450,000, the proceeds to be used as a grant to the Board of Directors of the Maryland Zoological Society, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

purpose paragraph – unequal match

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Baltimore City – Baltimore Zoo Trams Loan of 2004 in the total principal amount of $450,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

unequal match

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of the Maryland Zoological Society, Inc. (referred to hereafter in this Act as "the grantee") for the purchase of two trams.

(4) An annual State tax is imposed on all assessable property in the State in rate and amount sufficient to pay the principal of and interest on the bonds as and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

when due and until paid in full. The principal shall be discharged within 15 years after the date of issuance of the bonds.

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund of $225,000. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property or funds expended prior to the effective date of this Act. The fund may consist of in kind contributions. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact to the State Treasurer, and the proceeds of the loan shall be expended for the purposes provided in this Act.

unequal match

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Equal Hard Match

HOUSE BILL 865

B2 4lr2359
CF 4lr2244

By: **Delegate Love (Chairman, Anne Arundel County Delegation)**
Introduced and read first time: February 9, 2004
Assigned to: Appropriations

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Anne Arundel County – Emergency Operations Center

FOR the purpose of authorizing the creation of a State Debt not to exceed $500,000, the proceeds to be used as a grant to the County Executive and County Council of Anne Arundel County for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Anne Arundel County – Emergency Operations Center Loan of 2004 in a total principal amount equal to the lesser of (i) $500,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the County Executive and County Council of Anne Arundel County (referred to hereafter in this Act as "the grantee") for the repair, renovation, and capital equipping of the Anne Arundel County Emergency Operations Center, located in Millersville.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets**]** indicate matter deleted from existing law.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Grant

SENATE BILL 974

B2 5lr3191

By: **Senators Miller, Astle, DeGrange, Dyson, Garagiola, Giannetti, Jimeno, Klausmeier, Middleton, and Stone**
Introduced and read first time: March 2, 2005
Assigned to: Rules

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Anne Arundel County – Maryland Fire–Rescue Services Memorial Sculpture

FOR the purpose of authorizing the creation of a State Debt in the amount of $200,000, the proceeds to be used as a grant to the Board of Directors of the Maryland Fire–Rescue Services Memorial Foundation, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

purpose paragraph – grant

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Anne Arundel County – Maryland Fire–Rescue Services Memorial Sculpture Loan of 2005 in the total principal amount of $200,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

grant

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of the Maryland Fire – Rescue Services Memorial Foundation, Inc. for the planning, design, and construction of a monument honoring all emergency fire, rescue, and EMS men and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

women who have given their lives in the line of duty while serving their communities, located in Annapolis.

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

(5) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2012. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2012, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Soft Match

HOUSE BILL 524

B2

5lr1706
CF 5lr1705

By: **Delegates Love, Menes, Moe, Frush, Boschert, V. Clagett, Costa, Leopold, McConkey, and Sophocleus**
Introduced and read first time: February 3, 2005
Assigned to: Appropriations

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Anne Arundel County – Tipton Airport Control Tower

FOR the purpose of authorizing the creation of a State Debt not to exceed $100,000, the proceeds to be used as a grant to the Anne Arundel County Tipton Airport Authority for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Anne Arundel County – Tipton Airport Control Tower Loan of 2005 in a total principal amount equal to the lesser of (i) $100,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Anne Arundel County Tipton Airport Authority (referred to hereafter in this Act as "the grantee") for the renovation of the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

control tower at Tipton Airport for use as an educational exhibit and organizational meeting place, located in Odenton.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property or in kind contributions. The fund may consist of funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2007, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

soft match - prior expended funds

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2012. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2012, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Soft Match

SENATE BILL 894

B2 5lr3012
SB 358/04 - B&T CF 5lr3017

By: **Senators Britt and Green**
Introduced and read first time: February 21, 2005
Assigned to: Rules

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Prince George's County – Ebenezer Community Life Center

FOR the purpose of authorizing the creation of a State Debt not to exceed $400,000, the proceeds to be used as a grant to the Board of Directors of Ebenezer Community Development Corporation for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; prohibiting the use of the loan proceeds and the matching fund for sectarian religious purposes; and providing generally for the sale and issuance of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Prince George's County – Ebenezer Community Life Center Loan of 2005 in a total principal amount equal to the lesser of (i) $400,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of Ebenezer

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW
[Brackets] indicate matter deleted from existing law

Community Development Corporation (referred to hereafter in this Act as "the grantee") for the renovation, reconstruction, and capital equipping of two existing buildings on Whitfield Chapel Road in Lanham, and the construction and capital equipping of a new wing, to serve as a mixed educational, administrative, and fellowship complex.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of in kind contributions. The fund may consist of real property or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2007, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

soft match - real property and prior expended funds

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2012. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2012, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State Finance and Procurement Article.

(7) No portion of the proceeds of the loan or any of the matching funds may be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination. Upon the request of the Board of Public Works, the grantee shall submit evidence satisfactory to the Board that none of the proceeds of the loan or any matching funds have been or are being used for a purpose prohibited by this Act.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Soft Match

SENATE BILL 895

B2
HB 787/03 – APP

4lr3115
CF 4lr3143

By: **Senator Hogan**
Introduced and read first time: February 26, 2004
Assigned to: Rules

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Montgomery County – Community Services for Autistic Adults and Children

FOR the purpose of authorizing the creation of a State Debt not to exceed $1,000,000, the proceeds to be used as a grant to the Board of Directors of Community Services for Autistic Adults and Children, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund, establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Montgomery County – Community Services for Autistic Adults and Children Loan of 2004 in a total principal amount equal to the lesser of (i) $1,000,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of Community Services for Autistic Adults and Children, Inc. (referred to hereafter in this Act as "the grantee") for the acquisition, planning, design, construction, and capital equipping of

EXPLANATION CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

an administration and training center for Community Services for Autistic Adults and Children, located in Montgomery Village.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property. The fund may consist of in kind contributions or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

soft match - in kind contributions and prior expended funds

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Nonsectarian Clause

SENATE BILL 284

B2 4lr2074
CF 4lr2075

By: **Senator Jacobs**
Introduced and read first time: January 30, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Harford County – YMCA of Central Maryland

FOR the purpose of authorizing the creation of a State Debt not to exceed $1,500,000, the proceeds to be used as a grant to the Board of Directors of the YMCA of Central Maryland, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; prohibiting the loan proceeds or the matching fund from being used for sectarian religious purposes; and providing generally for the issuance and sale of bonds evidencing the loan.

purpose paragraph – nonsectarian clause

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Harford County – YMCA of Central Maryland Loan of 2004 in a total principal amount equal to the lesser of (i) $1,500,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of the YMCA of Central Maryland, Inc. (referred to hereafter in this Act as "the grantee") for the design, construction, and capital equipping of the Harford County Family Branch of the YMCA of Central Maryland, located in Abingdon.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

(7) No portion of the proceeds of the loan or any of the matching funds may be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination. Upon the request of the Board of Public Works, the grantee shall submit evidence satisfactory to the Board that none of the proceeds of the loan or any matching funds have been or are being used for a purpose prohibited by this Act.

nonsectarian clause

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Historic Easement

SENATE BILL 682

B2 4lr1418
SB 753/03 – B&T CF 4lr2053

By: **Senators Colburn and Stoltzfus**
Introduced and read first time: February 6, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – Wicomico County – Boulevard Theatre Performing Arts Complex

FOR the purpose of authorizing the creation of a State Debt not to exceed $500,000, the proceeds to be used as a grant to the Board of Directors of the Salisbury Wicomico Arts Council, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds, requiring the grantee to grant and convey a certain easement to the Maryland Historical Trust; and providing generally for the issuance and sale of bonds evidencing the loan.

purpose paragraph – historic easement

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Wicomico County – Boulevard Theatre Performing Arts Complex Loan of 2004 in a total principal amount equal to the lesser of (i) $500,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of the Salisbury Wicomico Arts Council, Inc. (referred to hereafter in this Act as "the grantee") for the

EXPLANATION CAPITALS INDICATE MATTER ADDED TO EXISTING LAW
[Brackets] indicate matter deleted from existing law.

design, construction, renovation, reconstruction, and capital equipping of the Boulevard Theatre to be converted into a performing arts complex, located in Salisbury.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. The fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

(7) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to the Maryland Historical Trust a perpetual preservation easement to the extent of its interest:

historic easement

(i) On the land or such portion of the land acceptable to the Trust; and

(ii) On the exterior and interior, where appropriate, of the historic structures.

(b) If the grantee or beneficiary of the grant holds a lease on the land and structures, the Trust may accept an easement on the leasehold interest.

(c) The easement must be in form and substance acceptable to the Trust and any liens or encumbrances against the land or the structures must be acceptable to the Trust.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Maryland Hospital Association Project

SENATE BILL 207

B2

4lr2073
CF HB 212

By: **Senators Brochin, Haines, Harris, Hollinger, Klausmeier, and Stone**
Introduced and read first time: January 28, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Creation of a State Debt – St. Joseph Medical Center

FOR the purpose of authorizing the creation of a State Debt not to exceed $230,000, the proceeds to be used as a grant to the Board of Directors of St. Joseph Medical Center, Inc. for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the St. Joseph Medical Center Loan of 2004 in a total principal amount equal to the lesser of (i) $230,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of St. Joseph Medical Center, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design, renovation, expansion, repair, construction, and capital equipping of the Pediatric Urgent Care Center at St. Joseph Medical Center, located in Towson.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property or in kind contributions. The fund may consist of funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2006, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Appendix 3. County Grantees

Jurisdiction	Grantee Name
Allegany County	Board of County Commissioners of Allegany County
Anne Arundel County	County Executive and County Council of Anne Arundel County
Baltimore City	Mayor and City Council of Baltimore
Baltimore County	County Executive and County Council of Baltimore County
Calvert County	Board of County Commissioners of Calvert County
Caroline County	Board of County Commissioners of Caroline County
Carroll County	Board of County Commissioners of Carroll County
Cecil County	Board of County Commissioners of Cecil County
Charles County	Board of County Commissioners of Charles County
Dorchester County	County Council of Dorchester County
Frederick County	Board of County Commissioners of Frederick County
Garrett County	Board of County Commissioners of Garrett County
Harford County	County Executive and County Council of Harford County
Howard County	County Executive and County Council of Howard County
Kent County	Board of County Commissioners of Kent County
Montgomery County	County Executive and County Council of Montgomery County
Prince George's County	County Executive and County Council of Prince George's County
Queen Anne's County	Board of County Commissioners of Queen Anne's County
St. Mary's County	Board of County Commissioners of St. Mary's County
Somerset County	Board of County Commissioners of Somerset County
Talbot County	County Council of Talbot County
Washington County	Board of County Commissioners of Washington County
Wicomico County	County Council of Wicomico County
Worcester County	Board of County Commissioners of Worcester County

Appendix 4A. Examples of Prior Authorizations – Traditional Approach

HOUSE BILL 411

B4 EMERGENCY BILL 5lr1466

CF 5lr1774

By: **Delegates Petzold, Heller, Kaiser, Mandel, Montgomery, Murray, and Taylor**

Introduced and read first time: January 31, 2005
Assigned to: Appropriations

Committee Report: Favorable
House action: Adopted
Read second time: March 8, 2005

CHAPTER_____

AN ACT concerning

Montgomery County – National Capital Trolley Museum Loan of 2001

FOR the purpose of amending the Montgomery County – National Capital Trolley Museum Loan of 2001 to allow the proceeds of the loan to be used for construction of a building at the site of the National Capital Trolley Museum, located in Montgomery County; making this Act an emergency measure; and generally relating to the Montgomery County – National Capital Trolley Museum Loan of 2001.

BY repealing and reenacting, with amendments,
Chapter 644 of the Acts of the General Assembly of 2001
Section 1(3)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Chapter 644 of the Acts of 2001

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Directors of the National

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Capital Historical Museum of Transportation, Inc. (referred to hereafter in this Act as "the grantee") for the CONSTRUCTION, repair, renovation, rehabilitation, expansion, and capital equipping of a building at the site of the National Capital Trolley Museum at 1313 Bonifant Road in Montgomery County, and for the laying of track to serve the building.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved:

_____

Governor.

_____

Speaker of the House of Delegates.

_____

President of the Senate.

HOUSE BILL 386

B4

5lr2240
CF 5lr1455

By: **Delegate Minnick**
Introduced and read first time: January 31, 2005
Assigned to: Appropriations

Committee Report: Favorable
House action: Adopted
Read second time: March 8, 2005

CHAPTER_____

AN ACT concerning

Baltimore County – Camp Puh'Tok Loan of 1998

FOR the purpose of amending the Baltimore County – Camp Puh'Tok Loan of 1998 to change the use of the proceeds of the loan to allow for the planning, design, construction, and capital equipping of new facilities and requiring that the proceeds of the loan be encumbered by the Board of Public Works or expended for the purposes provided by a certain date.

BY repealing and reenacting, with amendments,
Chapter 170 of the Acts of the General Assembly of 1998
Section 1

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Chapter 170 of the Acts of 1998

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Baltimore County – Camp Puh'Tok Loan of 1998 in a total principal amoun' equal to the lesser of (i) $250,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to The Salvation Army (referred to hereafter in this Act as "the grantee") for the planning, design, construction, and capital equipping of [a] new [facility] FACILITIES at Camp Puh'Tok in Monkton, [the] WHICH MAY INCLUDE A facility to be used as an environmental and educational center with programs for children from Baltimore County schools, as well as for children who attend the camp, which is nonprofit and open to the public.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. The fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2000, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) No portion of the proceeds of the loan or any of the matching funds may be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination. Upon the request of the Board of Public Works, the grantee shall submit evidence satisfactory to the Board that none of the proceeds of the loan or any matching funds have been or are being used for a purpose prohibited by this Act.

(7) THE PROCEEDS OF THE LOAN MUST BE EXPENDED OR ENCUMBERED BY THE BOARD OF PUBLIC WORKS FOR THE PURPOSES PROVIDED IN THIS ACT NO LATER THAN JUNE 1, 2006. IF ANY FUNDS AUTHORIZED BY THIS ACT REMAIN UNEXPENDED

OR UNENCUMBERED AFTER JUNE 1, 2006, THE AMOUNT OF THE UNENCUMBERED OR UNEXPENDED AUTHORIZATION SHALL BE CANCELED AND BE OF NO FURTHER EFFECT. IF BONDS HAVE BEEN ISSUED FOR THE LOAN, THE AMOUNT OF UNEXPENDED OR UNENCUMBERED BOND PROCEEDS SHALL BE DISPOSED OF AS PROVIDED IN § 8–129 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Approved:

_____

Governor.

_____

Speaker of the House of Delegates.

_____

President of the Senate.

Appendix 4B. Examples of Prior Authorizations – Alternative Approach

HOUSE BILL 1535

B4 5lr3328

By: **Delegate Conway**
Introduced and read first time: February 28, 2005
Assigned to: Rules and Executive Nominations
Re-referred to: Appropriations, March 14, 2005

Committee Report: Favorable
House action: Adopted
Read second time: March 25, 2005

CHAPTER_____

AN ACT concerning

Legislative Community Initiatives Loan of 2004 – Wicomico County – Boulevard Theatre Performing Arts Complex

FOR the purpose of amending the Legislative Community Initiatives Loan of 2004 to remove a requirement that the Board of Directors of the Salisbury Wicomico Arts Council grant and convey a certain easement to the Maryland Historical Trust.

BY repealing and reenacting, with amendments,
Chapter 204 of the Acts of the General Assembly of 2003, as amended by Chapter 432 of the Acts of the General Assembly of 2004
Section 13(3)(ii) Item (T)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Chapter 204 of the Acts of 2003, as amended by Chapter 432 of the Acts of 2004

Section 13(3)

(ii) $2,500,000 for the following projects initially approved by the House:

(T) Boulevard Theatre Performing Arts Complex. Provide a grant equal to the lesser of (i) $175,000 or (ii) the amount of the matching fund provided, to the Board of Directors of the Salisbury Wicomico Arts Council, Inc. for the design,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

construction, renovation, reconstruction, and capital equipping of the Boulevard Theatre, located in Salisbury[, subject to a requirement that the grantee grant and convey an historic easement to the Maryland Historical Trust]. Notwithstanding section 13(5) of this Act, the matching fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act (Wicomico County).....175,000

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Approved:

_____
Governor

_____
Speaker of the House of Delegates.

_____
President of the Senate.

HOUSE BILL 101

B4 EMERGENCY BILL 5lr1336

CF 5lr1623

By: **Delegate Marriott**
Introduced and read first time: January 14, 2005
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 22, 2005

CHAPTER_____

AN ACT concerning

~~**Maryland Consolidated Capital Bond Loan of 2003**~~ **Community Based Regional Initiatives Loan of 2004 - Baltimore City - Baltimore Center for Children**

FOR the purpose of amending ~~Chapter 290 of the Acts of 2002, as amended by Chapter 204 of the Acts of 2003~~ the Community Based Regional Initiatives Loan of 2004, to change the location of the Baltimore Center for Children to a certain location in Baltimore City; removing the requirement that the proceeds are to be used for providing handicapped access, a sprinkler system, elevators, an HVAC system, and interior walls to provide separate rooms; making this Act an emergency measure; and generally relating to the financing of certain capital projects.

BY repealing and reenacting, with amendments,
Chapter ~~290 of the Acts of the General Assembly of 2002, as amended by Chapter~~ 204 of the Acts of the General Assembly of 2003
Section 12(3)(G)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

~~Chapter 200 of the Acts of 2002, as amended by~~ **Chapter 204 of the Acts of 2003**

SECTION 12. AND BE IT FURTHER ENACTED, That:

(3) (G) Baltimore Center for Children. Provide a grant equal to the lesser of (i) $400,000 or (ii) the amount of the matching fund provided, to the Board of Directors of the Baltimore Child Abuse Center, Inc. for the construction, renovation, and capital equipping of the new Baltimore Center for Children building [to include handicapped access, a sprinkler system, elevators, an HVAC system, and interior walls to provide separate rooms,] located [at 2315 St. Paul Street] AT 2300 NORTH CHARLES STREET in Baltimore CITY, subject to the requirement that the grantee grant and convey an historic easement to the Maryland Historical Trust. Notwithstanding the provisions of Section 12(5) of this Act, the matching fund may include real property or funds expended prior to the effective date of this Act (Baltimore City) 400,000

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Appendix 5. Bond Bill Contact Information

Department of General Services:

Paul Georgiou
Program Manager
Capital Grants and Loans
410-767-4107

Department of Budget and Management:

Bernard Fox
Supervising Budget Manager
Office of Capital Budgeting
410-767-4538

Treasurer's Office:

Steven Vanderbosch
Principal Counsel for the State Treasurer
Annapolis: 410-260-7927
Baltimore: 410-576-6302

Maryland Historical Trust:

Richard J. Brand
Administrator
410-514-7634

Maryland Hospital Association:

Denise Mattricciani and Pegeen Townsend
Annapolis: 410-269-1801
Elkridge: 410-379-6200

Appendix 6. State Funding of Local Projects – Bond Bills

Overview

This document is intended to provide basic information on eligibility and priority for State funding of local capital projects ("bond bills").

Any group may request funding from the General Assembly for a capital project. As a practical matter, the number and type of projects funded by the General Assembly is limited – requests for funding greatly exceed available resources each year. In some years, the total amount requested for local capital projects has exceeded by ten times the available resources. Thus, after ascertaining a project's basic eligibility, the General Assembly must assess the project's level of priority among the total number of projects requested.

Eligibility

1. A project must be capital in nature to be eligible for bond bill consideration. A capital project deals with land and/or structures. Capital projects do not include items such as employee salaries, benefits, expendable equipment (automobiles, for example), or operating costs.

2. A project must have a useful life of 15 years. Items such as automobiles and computers do not have a useful life of 15 years. A group that is leasing land and/or a structure relating to the proposed capital project must demonstrate that the lease will extend for 15 years or more.

3. The General Assembly is prohibited from providing funds for projects which will be used for religious purposes. For example, State funds may not be used to construct a building in which religious services, Sunday school, or religious education will be held, regardless of other non-religious uses planned for the building.

4. Certain structures may be subject to an internal and/or external historic easement. The grantee must grant the easement to the Maryland Historical Trust as a condition for State funding.

Strategies for Achieving Success

After the General Assembly evaluates the eligibility of a project, all of the projects are evaluated based upon the following criteria:

Alternative Funding

Groups should show that they have explored alternative sources of funding. In addition to requesting alternative funding from agencies, corporations, etc., a group may be asked to show whether a potential revenue source, such as entrance fees, membership fees, or concession profits could cover the cost of the capital project.

Delegation Support

The General Assembly will consider the priority that a county delegation places upon a project.

Matching Funds

Groups should provide a matching fund for their projects. Matches may be classified as "hard" or "soft." A "hard" match is "cash in hand" and may include money from any source, other than State sources. A "soft" match can be made up of real property, in-kind contributions (donated services or materials), or funds expended for the project prior to the effective date of the bond bill, June 1 of the year the bill is passed. A "soft" match may consist of a combination of the abovementioned elements, including cash.

A matching fund can also be greater than, equal to, or less than the State contribution, though at least an equal match is preferred. Among those projects with unequal matching funds, a grantee providing an unequal matching fund that shows that *at the time of the request*, the group holds or has letters of commitment totaling 25 percent or more of the matching fund will be given priority.

Project Readiness

Groups will be required to supply the General Assembly with a detailed funding analysis prior to the hearings on their bills. Projects that show a history of adequate fund-raising or groups that can provide documentation of adequate future funding (e.g., letters of commitment) will be given priority.

State or Local Purpose

Local projects that serve a wide spectrum of the community or the State are preferred.

Process

Sponsors

Organizations seeking funding must contact a Senator and a Delegate to sponsor a bond bill which requests funding for their project. Bond bills must be introduced in both the House and the Senate, known as cross-files, so organizations should arrange for a sponsor in each house.

Required Information

When a sponsor requests that a bond bill be drafted, the Department of Legislative Services (DLS) will give the sponsor a bond bill information form. The sponsor must submit the bond bill information form to DLS before the bond bill can be drafted. Therefore, the organization requesting funding must provide the sponsor with the information needed to complete the bond bill information form.

Bond bills must contain certain technical information to be legal and to permit funds to be disbursed. Therefore, after DLS drafts a bond bill, the sponsor and requesting organization should refrain from altering the language in the bill. If a change is necessary, please contact DLS at (410)946-5350/ (301)970-5350 to request the change.

After a bond bill has been introduced, the Department of Budget and Management (DBM) will send the sponsor a form requesting certain information about the project and the requesting organization. It is important that the requesting organization provide this information to DBM promptly so that the information can be included in a "Bond Bill Information Sheet" (known as "brown sheets"). Brown sheets provide background information on bond bills and are distributed to the Senate Budget and Taxation Committee and the House Appropriations Committee (budget committees) before bond bill hearings. Legislators use these brown sheets as they make their funding decisions.

Schedule

Bond bills move through the General Assembly under the following schedule:

July 1	Legislators may begin to pre-file bond bills (except the first year of a new legislature).
Mid-Nov.	Deadline to request that bills be drafted in time to meet the pre-file deadline.
Mid-Jan.	Deadline for bond bills to be requested to guarantee bills are drafted by the filing deadline (known as the guarantee date).
Early Feb.	Bills are delivered to sponsors to be introduced; deadline for bond bills to be introduced and not assigned to the Rules Committee (filing deadline).
March	Senate Budget and Taxation Committee and House Appropriations Committee hold hearings on bond bills.
Early April	Each chamber votes on bond bills.
Mid-April	Both chambers vote on final package of bond bills.
June 1	Effective date for bond bills.

Hearings

Bond bill hearings provide an opportunity for organizations to supply information to the budget committees on the need for the project. Because of the large number of bond bills, presentations are generally limited to five minutes or less in each committee. Presentations may include written materials. Organizations should contact each budget committee (Senate Budget and Taxation Committee: (410)841-3690/(301)858-3690; Appropriations Committee: (410)841-3407/ (301)858-3407) to learn how and when materials must be submitted. During the hearings, members will want detailed information on all fund sources for the project, including matching funds and the project schedule with dates for planning, beginning construction, and ending construction.

After Enactment

After June 1, the Project Management and Design Division of the Department of General Services (DGS) will contact the organizations whose bond bills were enacted. DGS is responsible for certifying that an organization has met any matching fund requirements. The Board of Public Works makes the final determination about the value of any matching fund. DGS will disburse bond funds, with approval from the Board of Public Works. If an organization has questions about receiving bond

bill funds after the General Assembly has funded their project, the organizations should contact DGS at (410)767-4265.

Appendix 7. Directions for Proofreading Bond Bills

1. The short title must match the name of the loan in paragraph (1).

2. If there is a matching fund and paragraph (1) states, "in a total principal amount equal to the lesser of ..." the purpose paragraph should read "not to exceed." If the bill is a grant (no matching fund) or a fixed amount (usually an *unequal match*), then the purpose paragraph should read "in the amount of."

3. The amounts in the purpose paragraph and paragraph (1) must match.

4. The name of the grantee must be identical in the purpose paragraph and paragraph (3). In paragraph (5) the grantee should be referred to as "the grantee." If "the grantee" is not the reference used, the reference to the grantee must be identical to the name used in the purpose paragraph and paragraph (3).

5. The description of the project in the purpose paragraph can be broad: "for certain development or improvement purposes." However, the purpose of the debt should be given in more detail in paragraph (3) and this detail should match exactly in the House and Senate bills.

6. If the description of the project in paragraph (3) includes equipment, it must be stated as either "capital equipping of" or ", the provision of capital equipment for," (including the commas). The preferred term is capital equipping of, but either is acceptable.

7. Make sure the year of the loan is the current session year.

8. Make sure the deadline for the matching fund is appropriate (generally 2 years after the current session year). The discharge of debt should be 15 years.

9. The effective date of the act should be June 1 of the session year.

10. Check the match in paragraph (5).
    - If State grant is *fully matched*, the first sentence in paragraph (5) will not include a dollar amount ("... provide and expend a matching fund.").
    - If State grant is matched but *unequally*, paragraph (5) will include a dollar amount ("... provide and expend a matching fund of $200,000.").
    - For soft matches, the match may include one or more of the following:
        - real property
        - in kind goods or services
        - prior expended funds
    - Note: If it is a State grant requiring no match, there will be no paragraph (5).

11. Is an historic easement required? If so, it will be located after paragraph (5), or if the bill is a grant, after paragraph (4).

12. Is a nonsectarian purpose clause required? If so, it will be located after paragraph (5), or if the bill is a grant, after paragraph (4).

13. When comparing House and Senate bills, check that the following are the same:

- title
- amount
- type of match
- purpose