

CHAPTER 431**(House Bill 1325)**

AN ACT concerning

Creation of a State Debt - Aging School Program - Qualified Zone Academy Bonds

FOR the purpose of authorizing the creation of a State Debt in the amount of ~~\$9,361,000~~ \$9,364,000, the proceeds to be used as a grant to the Interagency Committee on School Construction for certain development or improvement purposes; providing for disbursement of the loan proceeds and the allocation of funds to eligible school systems, subject to a requirement that the grantee document the provision of a required federal matching fund; authorizing the Board of Public Works to sell certain bonds at certain sales; 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 Aging School Program - Qualified Zone Academy Bonds Loan of 2005 in a total principal amount of ~~\$9,361,000~~ \$9,364,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation qualified zone academy bonds, as defined in § 1397E(d)(1) of the Internal Revenue Code of the United States, as amended, 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 Annotated Code of Maryland, and § 1397E of the Internal Revenue Code, as amended.

(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. Notwithstanding § 8-123 of the State Finance and Procurement Article, the Board of Public Works may sell the bonds authorized herein at one or more private sales that best meet the terms and conditions of sale set by the Board.

(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 held separately in a qualified zone academy bond account, and expended, on approval by the Board of Public Works, for the following public purposes: as a grant to the Interagency Committee on School Construction (referred to hereafter in this Act as "the grantee") for the allocation to eligible school systems under the Aging School Program for the renovation, repair, and capital improvements of qualified zone academies; as defined in § 1397E(d)(4)(A) of the Internal Revenue Code, as amended, and in accordance with the Aging School