SENATE BILL 581

F1, F5 4lr1996
CF HB 643

By: **Senator Guzzone**
Introduced and read first time: January 25, 2024
Assigned to: Budget and Taxation

Committee Report: Favorable
Senate action: Adopted
Read second time: February 10, 2024

CHAPTER ______

AN ACT concerning

School Construction Revolving Loan Fund – Maryland School for the Blind – Eligibility

FOR the purpose of altering the eligibility requirements of the School Construction Revolving Loan Fund to include the Maryland School for the Blind; and generally relating to the eligibility of the Maryland School for the Blind for the School Construction Revolving Loan Fund.

BY repealing and reenacting, with amendments,
Article – Education
Section 5–315
Annotated Code of Maryland
(2022 Replacement Volume and 2023 Supplement)

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

Article – Education

5–315.

(a) In this section, "Fund" means the School Construction Revolving Loan Fund.

(b) There is a School Construction Revolving Loan Fund.

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.

(c) The purpose of the Fund is to provide loans to local governments **AND THE MARYLAND SCHOOL FOR THE BLIND** to forward fund the State or local share of school construction costs **[**for local education agencies that rely on the State or local share to be fully funded in order to complete a project**]**.

(d) The Interagency Commission shall administer the Fund.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article that shall be available in perpetuity for the purpose of providing loans in accordance with the provisions of this section.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(f) The Fund consists of:

(1) Money appropriated in the State budget to the Fund;

(2) Any interest earnings of the Fund;

(3) Repayments of principal and interest from loans made from the Fund; and

(4) Any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only to provide low– or no–interest loans to local governments **AND THE MARYLAND SCHOOL FOR THE BLIND**.

(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the Fund.

(i) Money expended from the Fund is supplemental to and is not intended to take the place of funding that otherwise would be appropriated to local governments **OR THE MARYLAND SCHOOL FOR THE BLIND** for school construction.

(j) (1) Subject to paragraph (2) of this subsection, the Interagency Commission shall establish application procedures and eligibility criteria for loans from the Fund.

(2) The eligibility criteria shall include that a local government **OR THE MARYLAND SCHOOL FOR THE BLIND**:

(i) Is in need of a loan to forward fund the State or local share of school construction costs in order to complete a project;

(ii) Is able to demonstrate the ability to repay the loan if required at a later date; and

(iii) Has received planning approval for the project from the Interagency Commission.

(3) The Interagency Commission shall give priority in awarding loans from the Fund to **[**counties**]:**

(I) **COUNTIES** that have:

[(i)**]** **1.** Not advanced construction funding for projects in the Public School Construction Program that the Interagency Commission has approved for planning; and

[(ii)**]** **2.** Limited debt capacity**; AND**

(II) **THE MARYLAND SCHOOL FOR THE BLIND**.

(k) (1) Except as provided in paragraph (2) of this subsection, a county **OR THE MARYLAND SCHOOL FOR THE BLIND** shall repay a loan from the Fund not less than 5 years after receiving the loan from the Fund.

(2) The Interagency Commission may establish a procedure for a waiver from the requirement under paragraph (1) of this subsection.

(l) (1) In fiscal year 2023, the Governor shall include in the annual budget bill an appropriation of at least $40,000,000 to the Fund.

(2) In fiscal year 2024, the Governor shall include in the annual budget bill an appropriation of at least $20,000,000 to the Fund.

(3) In each of fiscal years 2025 and 2026, the Governor shall include in the annual budget bill an appropriation of at least $10,000,000 to the Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.