

# HOUSE BILL 765

B2  
HB 1549/14 – APP

5lr0732  
CF SB 308

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By: **Delegates Hixson, Moon, and Smith**  
Introduced and read first time: February 13, 2015  
Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Kitchen and Counseling Center**  
3 **Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000, the  
5 proceeds to be used as a grant to the Board of Directors of the Don Bosco Cristo Rey  
6 High School of the Archdiocese of Washington, Inc. and the Board of Directors of the  
7 Don Bosco Cristo Rey Work–Study of the Archdiocese of Washington, Inc. for certain  
8 development or improvement purposes; providing for disbursement of the loan  
9 proceeds, subject to a requirement that the grantee provide and expend a matching  
10 fund; prohibiting the use of the loan proceeds or matching fund for sectarian religious  
11 purposes; establishing a deadline for the encumbrance or expenditure of the loan  
12 proceeds; and providing generally for the issuance and sale of bonds evidencing the  
13 loan.

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

16 (1) The Board of Public Works may borrow money and incur indebtedness on  
17 behalf of the State of Maryland through a State loan to be known as the Montgomery  
18 County – Kitchen and Counseling Center Project Loan of 2015 in a total principal amount  
19 equal to the lesser of (i) \$150,000 or (ii) the amount of the matching fund provided in  
20 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
21 delivery of State general obligation bonds authorized by a resolution of the Board of Public  
22 Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and  
23 8–131.2 of the State Finance and Procurement Article.

24 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
25 single issue or may be consolidated and sold as part of a single issue of bonds under §  
26 8–122 of the State Finance and Procurement Article.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (3)     The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
2 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
3 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
4 the books of the Comptroller and expended, on approval by the Board of Public Works, for  
5 the following public purposes, including any applicable architects' and engineers' fees: as a  
6 grant to the Board of Directors of the Don Bosco Cristo Rey High School of the Archdiocese  
7 of Washington, Inc. and the Board of Directors of the Don Bosco Cristo Rey Work–Study of  
8 the Archdiocese of Washington, Inc. (referred to hereafter in this Act as “the grantee”) for  
9 the acquisition, planning, design, construction, repair, renovation, reconstruction, and  
10 capital equipping of the Kitchen and Counseling Center facility, located in Montgomery  
11 County.

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

16           (5)     Prior to the payment of any funds under the provisions of this Act for the  
17 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
18 fund. No part of the grantee's matching fund may be provided, either directly or indirectly,  
19 from funds of the State, whether appropriated or unappropriated. No part of the fund may  
20 consist of real property, in kind contributions, or funds expended prior to the effective date  
21 of this Act. In case of any dispute as to the amount of the matching fund or what money or  
22 assets may qualify as matching funds, the Board of Public Works shall determine the  
23 matter and the Board's decision is final. The grantee has until June 1, 2017, to present  
24 evidence satisfactory to the Board of Public Works that a matching fund will be provided.  
25 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the  
26 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of  
27 the matching fund shall be expended for the purposes provided in this Act. Any amount of  
28 the loan in excess of the amount of the matching fund certified by the Board of Public Works  
29 shall be canceled and be of no further effect.

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

38           (7)     The proceeds of the loan must be expended or encumbered by the Board of  
39 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds  
40 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the  
41 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
42 further effect. If bonds have been issued for the loan, the amount of unexpended or

1 unencumbered bond proceeds shall be disposed of as provided in  
2 § 8–129 of the State Finance and Procurement Article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
4 1, 2015.