

HOUSE BILL 1270

B2

5lr3045

By: **Delegate Beidle**

Introduced and read first time: March 9, 2015

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Anne Arundel County – Harambee House Community**
3 **Outreach Center**

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 Mount Olive
6 Community Development Corporation, Inc. and the Board of Trustees of the Mount
7 Olive African American Episcopal Church, Annapolis, MD for certain development
8 or improvement purposes; providing for disbursement of the loan proceeds, subject
9 to a requirement that the grantee provide and expend a matching fund; prohibiting
10 the use of the loan proceeds or matching fund for sectarian religious purposes;
11 establishing a deadline for the encumbrance or expenditure of the loan proceeds; and
12 providing generally for the issuance and sale of bonds evidencing the loan.

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

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

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
27 first shall be applied to the payment of the expenses of issuing, selling, and delivering the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
2 the books of the Comptroller and expended, on approval by the Board of Public Works, for
3 the following public purposes, including any applicable architects' and engineers' fees: as a
4 grant to the Board of Directors of the Mount Olive Community Development Corporation,
5 Inc. and the Board of Trustees of the Mount Olive African American Episcopal Church,
6 Annapolis, MD (referred to hereafter in this Act as "the grantee") for the acquisition,
7 planning, design, construction, repair, renovation, reconstruction, and capital equipping of
8 the Harambee House Community Outreach Center, located in Anne Arundel County.

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

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

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

35 (7) The proceeds of the loan must be expended or encumbered by the Board of
36 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds
37 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the
38 amount of the unencumbered or unexpended authorization shall be canceled and be of no
39 further effect. If bonds have been issued for the loan, the amount of unexpended or
40 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
41 Finance and Procurement Article.

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