

# SENATE BILL 492

B2, B5

5lr2179  
CF 5lr2786

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By: **Senators King, Feldman, Kagan, Lee, Madaleno, Manno, Montgomery, and Raskin**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Cornerstone Montgomery and**  
3 **Interfaith Works Project**

4 FOR the purpose of authorizing the creation of a State Debt in certain years not to exceed  
5 \$350,000 each year, the proceeds to be used as a grant to the Board of Directors of  
6 the Cornerstone Montgomery, Inc. and the Board of Directors of the Interfaith  
7 Works, Inc. for certain development or improvement purposes; providing for  
8 disbursement of the loan proceeds each year, subject to a requirement that the  
9 grantee provide and expend a matching fund each year; prohibiting the use of the  
10 loan proceeds or matching fund for sectarian religious purposes; establishing a  
11 deadline for the encumbrance or expenditure of the loan proceeds; and providing  
12 generally for the issuance and sale of bonds evidencing the loans.

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 Montgomery  
17 County – Cornerstone Montgomery and Interfaith Works Project Loan of 2015 in a total  
18 principal amount equal to the lesser of (i) \$350,000 or (ii) the amount of the matching fund  
19 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
20 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of  
21 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117  
22 through 8–124 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.

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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 Cornerstone Montgomery, Inc. and the Board of  
7 Directors of the Interfaith Works, Inc. (referred to hereafter in this Act as "the grantee")  
8 for the acquisition, planning, design, construction, repair, renovation, reconstruction, and  
9 capital equipping of #2 Taft Court facility and for the relocation of Cornerstone Montgomery  
10 and Interfaith Works facilities, located in Montgomery County.

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

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

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (1) The Board of Public Works may borrow money and incur indebtedness on  
3 behalf of the State of Maryland through a State loan to be known as the Maryland  
4 Consolidated Capital Bond Loan Preauthorization Act of 2016 in total principal amount of  
5 \$350,000. These loans shall be evidenced by the issuance, sale, and delivery of State general  
6 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,  
7 and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance  
8 and Procurement Article.

9 (2) The bonds to evidence these loans or installments of these loans may be sold  
10 as a single issue or may be consolidated and sold as part of a single issue of bonds under §  
11 8–122 of the State Finance and Procurement Article.

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

17 ZA00 LEGISLATIVE INITIATIVES

18	(A)	Cornerstone Montgomery and Interfaith Works Project.	
19		Provide a grant equal to the lesser of (i) \$350,000 or (ii) the	
20		amount of the matching fund provided, to the Board of	
21		Directors of the Cornerstone Montgomery, Inc. and the Board	
22		of Directors of the Interfaith Works, Inc. for the acquisition,	
23		planning, design, construction, repair, renovation,	
24		reconstruction, and capital equipping of #2 Taft Court facility	
25		and for the relocation of Cornerstone Montgomery and	
26		Interfaith Works facilities (Montgomery County) .....	350,000

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

31 (5) Prior to the payment of any funds under the provisions of this Act for the  
32 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
33 fund. No part of the grantee’s matching fund may be provided, either directly or indirectly,  
34 from funds of the State, whether appropriated or unappropriated. No part of the fund may  
35 consist of real property, in kind contributions, or funds expended prior to the effective date  
36 of this Act. In case of any dispute as to the amount of the matching fund or what money or  
37 assets may qualify as matching funds, the Board of Public Works shall determine the  
38 matter and the Board’s decision is final. The grantee has until June 1, 2018, to present  
39 evidence satisfactory to the Board of Public Works that a matching fund will be provided.

1 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the  
2 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of  
3 the matching fund shall be expended for the purposes provided in this Act. Any amount of  
4 the loan in excess of the amount of the matching fund certified by the Board of Public Works  
5 shall be canceled and be of no further effect.

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

14 (7) The proceeds of the loan must be expended or encumbered by the Board of  
15 Public Works for the purposes provided in this Act no later than June 1, 2023. If any funds  
16 authorized by this Act remain unexpended or unencumbered after June 1, 2023, the  
17 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
18 further effect. If bonds have been issued for the loan, the amount of unexpended or  
19 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State  
20 Finance and Procurement Article.

21 SECTION 3. AND BE IT FURTHER ENACTED, That:

22 (1) The Board of Public Works may borrow money and incur indebtedness on  
23 behalf of the State of Maryland through a State loan to be known as the Maryland  
24 Consolidated Capital Bond Loan Preauthorization Act of 2017 in total principal amount of  
25 \$350,000. These loans shall be evidenced by the issuance, sale, and delivery of State general  
26 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,  
27 and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance  
28 and Procurement Article.

29 (2) The bonds to evidence these loans or installments of these loans may be sold  
30 as a single issue or may be consolidated and sold as part of a single issue of bonds under §  
31 8–122 of the State Finance and Procurement Article.

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

37 ZA00 LEGISLATIVE INITIATIVES

38 (A) Cornerstone Montgomery and Interfaith Works Project.  
39 Provide a grant equal to the lesser of (i) \$350,000 or (ii) the

1 amount of the matching fund provided, to the Board of  
 2 Directors of the Cornerstone Montgomery, Inc. and the Board  
 3 of Directors of the Interfaith Works, Inc. for the acquisition,  
 4 planning, design, construction, repair, renovation,  
 5 reconstruction, and capital equipping of #2 Taft Court facility  
 6 and for the relocation of Cornerstone Montgomery and  
 7 Interfaith Works facilities (Montgomery County) ..... 350,000

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the  
 13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
 14 fund. No part of the grantee’s matching fund may be provided, either directly or indirectly,  
 15 from funds of the State, whether appropriated or unappropriated. No part of the fund may  
 16 consist of real property, in kind contributions, or funds expended prior to the effective date  
 17 of this Act. In case of any dispute as to the amount of the matching fund or what money or  
 18 assets may qualify as matching funds, the Board of Public Works shall determine the  
 19 matter and the Board’s decision is final. The grantee has until June 1, 2019, to present  
 20 evidence satisfactory to the Board of Public Works that a matching fund will be provided.  
 21 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the  
 22 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of  
 23 the matching fund shall be expended for the purposes provided in this Act. Any amount of  
 24 the loan in excess of the amount of the matching fund certified by the Board of Public Works  
 25 shall be canceled and be of no further effect.

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

34 (7) The proceeds of the loan must be expended or encumbered by the Board of  
 35 Public Works for the purposes provided in this Act no later than June 1, 2024. If any funds  
 36 authorized by this Act remain unexpended or unencumbered after June 1, 2024, the  
 37 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
 38 further effect. If bonds have been issued for the loan, the amount of unexpended or  
 39 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State  
 40 Finance and Procurement Article.

41 SECTION 4. AND BE IT FURTHER ENACTED, 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 Maryland Consolidated Capital Bond Loan Preauthorization Act of 2018 in total principal amount of \$350,000. These loans 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 and 8–131.2 of the State Finance and Procurement Article.

(2) The bonds to evidence these loans or installments of these loans 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:

ZA00 LEGISLATIVE INITIATIVES

(A)	Cornerstone Montgomery and Interfaith Works Project. Provide a grant equal to the lesser of (i) \$350,000 or (ii) the amount of the matching fund provided, to the Board of Directors of the Cornerstone Montgomery, Inc. and the Board of Directors of the Interfaith Works, Inc. for the acquisition, planning, design, construction, repair, renovation, reconstruction, and capital equipping of #2 Taft Court facility and for the relocation of Cornerstone Montgomery and Interfaith Works facilities (Montgomery County) .....	350,000
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(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, 2020, 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

1 the loan in excess of the amount of the matching fund certified by the Board of Public Works  
2 shall be canceled and be of no further effect.

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

11 (7) The proceeds of the loan must be expended or encumbered by the Board of  
12 Public Works for the purposes provided in this Act no later than June 1, 2025. If any funds  
13 authorized by this Act remain unexpended or unencumbered after June 1, 2025, the  
14 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
15 further effect. If bonds have been issued for the loan, the amount of unexpended or  
16 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State  
17 Finance and Procurement Article.

18 SECTION 5. AND BE IT FURTHER ENACTED, That:

19 (1) The Board of Public Works may borrow money and incur indebtedness on  
20 behalf of the State of Maryland through a State loan to be known as the Maryland  
21 Consolidated Capital Bond Loan Preauthorization Act of 2019 in total principal amount of  
22 \$350,000. These loans shall be evidenced by the issuance, sale, and delivery of State general  
23 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,  
24 and delivered in accordance with §§ 8-117 through 8-124 and 8-131.2 of the State Finance  
25 and Procurement Article.

26 (2) The bonds to evidence these loans or installments of these loans may be sold  
27 as a single issue or may be consolidated and sold as part of a single issue of bonds under §  
28 8-122 of the State Finance and Procurement Article.

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

34 ZA00 LEGISLATIVE INITIATIVES

35 (A) Cornerstone Montgomery and Interfaith Works Project.  
36 Provide a grant equal to the lesser of (i) \$350,000 or (ii) the  
37 amount of the matching fund provided, to the Board of  
38 Directors of the Cornerstone Montgomery, Inc. and the Board  
39 of Directors of the Interfaith Works, Inc. for the acquisition,

1 2 3 4	planning, design, construction, repair, renovation, reconstruction, and capital equipping of #2 Taft Court facility and for the relocation of Cornerstone Montgomery and Interfaith Works facilities (Montgomery County) .....	350,000
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5           (4) An annual State tax is imposed on all assessable property in the State in rate  
6 and amount sufficient to pay the principal of and interest on the bonds, as and when due  
7 and until paid in full. The principal shall be discharged within 15 years after the date of  
8 issuance of the bonds.

9           (5) Prior to the payment of any funds under the provisions of this Act for the  
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
11 fund. No part of the grantee’s matching fund may be provided, either directly or indirectly,  
12 from funds of the State, whether appropriated or unappropriated. No part of the fund may  
13 consist of real property, in kind contributions, or funds expended prior to the effective date  
14 of this Act. In case of any dispute as to the amount of the matching fund or what money or  
15 assets may qualify as matching funds, the Board of Public Works shall determine the  
16 matter and the Board’s decision is final. The grantee has until June 1, 2021, to present  
17 evidence satisfactory to the Board of Public Works that a matching fund will be provided.  
18 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the  
19 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of  
20 the matching fund shall be expended for the purposes provided in this Act. Any amount of  
21 the loan in excess of the amount of the matching fund certified by the Board of Public Works  
22 shall be canceled and be of no further effect.

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

31           (7) The proceeds of the loan must be expended or encumbered by the Board of  
32 Public Works for the purposes provided in this Act no later than June 1, 2026. If any funds  
33 authorized by this Act remain unexpended or unencumbered after June 1, 2026, the  
34 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
35 further effect. If bonds have been issued for the loan, the amount of unexpended or  
36 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State  
37 Finance and Procurement Article.

38           SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
39 effect June 1, 2016.

40           SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take  
41 effect June 1, 2017.



1 SECTION 8. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take  
2 effect June 1, 2018.

3 SECTION 9. AND BE IT FURTHER ENACTED, That Section 5 of this Act shall take  
4 effect June 1, 2019.

5 SECTION 10. AND BE IT FURTHER ENACTED, That, except as provided in  
6 Sections 6, 7, 8, and 9 of this Act, this Act shall take effect June 1, 2015.