

SENATE BILL 788

B2

5l2872
CF 5l2920

By: **Senator Eckardt**

Introduced and read first time: February 19, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Caroline County – Mt. Calvary United Methodist**
3 **Church**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000, the
5 proceeds to be used as a grant to the Board of Trustees of the Mt. Calvary United
6 Methodist Church, Inc. for certain development or improvement purposes; providing
7 for disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; prohibiting the use of the loan proceeds or
9 matching fund for sectarian religious purposes; establishing a deadline for the
10 encumbrance or expenditure of the loan proceeds; and providing generally for the
11 issuance and sale of bonds evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Caroline County –
16 Mt. Calvary United Methodist Church Loan of 2015 in a total principal amount equal to
17 the lesser of (i) \$200,000 or (ii) the amount of the matching fund provided in accordance
18 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
19 State general obligation bonds authorized by a resolution of the Board of Public Works and
20 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the
21 State Finance and Procurement Article.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
26 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the books of the Comptroller and expended, on approval by the Board of Public Works, for
2 the following public purposes, including any applicable architects' and engineers' fees: as a
3 grant to the Board of Trustees of the Mt. Calvary United Methodist Church, Inc. (referred
4 to hereafter in this Act as "the grantee") for the acquisition, planning, design, construction,
5 repair, renovation, reconstruction, expansion, and capital equipping of the Mt. Calvary
6 United Methodist Church, including site improvements to the church and its grounds,
7 located in Caroline County.

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 or funds expended prior to the effective date of this Act. The fund
17 may consist of in kind contributions. In case of any dispute as to the amount of the matching
18 fund or what money or assets may qualify as matching funds, the Board of Public Works
19 shall determine the matter and the Board's decision is final. The grantee has until June 1,
20 2017, to present evidence satisfactory to the Board of Public Works that a matching fund
21 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
22 the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal
23 to the amount of the matching fund shall be expended for the purposes provided in this Act.
24 Any amount of the loan in excess of the amount of the matching fund certified by the Board
25 of Public Works 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
28 acquisition, planning, design, construction, repair, renovation, reconstruction, or capital
29 equipping of any building used or to be used as a place of sectarian religious worship or
30 instruction, or in connection with any program or department of divinity for any religious
31 denomination. Upon the request of the Board of Public Works, the grantee shall submit
32 evidence satisfactory to the Board that none of the proceeds of the loan or any matching
33 funds have been or are being used for a purpose prohibited by this 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, 2022. If any funds
36 authorized by this Act remain unexpended or unencumbered after June 1, 2022, 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 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
42 1, 2015.