

# SENATE BILL 123

B2

7lr1450

---

By: **Senator McFadden**

Introduced and read first time: January 13, 2017

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Harford House**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$150,000, the  
4 proceeds to be used as a grant to the Board of Directors of the Govans Ecumenical  
5 Development Corporation for certain development or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that the  
7 grantee provide and expend a matching fund; prohibiting the use of the loan proceeds  
8 or matching fund for sectarian religious purposes; establishing a deadline for the  
9 encumbrance or expenditure of the loan proceeds; and providing generally for the  
10 issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Baltimore City  
15 – Harford House Loan of 2017 in the total principal amount of \$150,000. This loan shall be  
16 evidenced by the issuance, sale, and delivery of State general obligation bonds authorized  
17 by a resolution of the Board of Public Works and issued, sold, and delivered in accordance  
18 with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and Procurement Article.

19 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
20 single issue or may be consolidated and sold as part of a single issue of bonds under  
21 § 8–122 of the State Finance and Procurement Article.

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
23 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
24 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
25 the books of the Comptroller and expended, on approval by the Board of Public Works, for  
26 the following public purposes, including any applicable architects' and engineers' fees: as a  
27 grant to the Board of Directors of the Govans Ecumenical Development Corporation

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (referred to hereafter in this Act as “the grantee”) for the acquisition, planning, design,  
2 construction, repair, renovation, reconstruction, site improvement, and capital equipping  
3 of the Harford House, located in Baltimore City.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the  
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
10 fund of \$10,000. No part of the grantee’s matching fund may be provided, either directly or  
11 indirectly, from funds of the State, whether appropriated or unappropriated. No part of the  
12 fund may consist of real property or funds expended prior to the effective date of this Act.  
13 The fund may consist of in kind contributions. In case of any dispute as to the amount of  
14 the matching fund or what money or assets may qualify as matching funds, the Board of  
15 Public Works shall determine the matter and the Board’s decision is final. The grantee has  
16 until June 1, 2019, to present evidence satisfactory to the Board of Public Works that a  
17 matching fund will be provided. If satisfactory evidence is presented, the Board shall certify  
18 this fact to the State Treasurer, and the proceeds of the loan shall be expended for the  
19 purposes provided in this Act.

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

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
36 1, 2017.