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**By: Delegates Bozman, Conway, and McClenahan**

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Worcester County - St. Martin's Church Foundation, Inc.**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$50,000, the  
4 proceeds to be used as a grant to the Board of Directors of the St. Martin's Church  
5 Foundation, Inc. for certain acquisition, 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; requiring the grantee to grant and  
8 convey a certain easement to the Maryland Historical Trust; providing that no  
9 proceeds of a loan or any matching funds may be used for religious purposes; and  
10 providing generally for the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, 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 Worcester  
15 County - St. Martin's Church Foundation, Inc. Loan of 1996 in a total principal amount  
16 equal to the lesser of (i) \$50,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board of  
19 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124  
20 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,  
2 for the following public purposes, including any applicable architects'and engineers' fees:  
3 as a grant to the Board of Directors of the St. Martin's Church Foundation, Inc. (referred  
4 to hereafter in this Act as "the grantee") for the restoration, including necessary repairs  
5 and renovations, of the interior of historic St. Martin's Church in Showell, Maryland.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the  
11 purposes set forth in Section 1(3) above, the grantee shall provide andexpend a matching  
12 fund. No part of the grantee's matching fund may be provided, either directly or  
13 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
14 the fund may consist of real property, in kind contributions, or funds expended prior to  
15 the effective date of this Act. In case of any dispute as to the amountof the matching  
16 fund or what money or assets may qualify as matching funds, the Board of Public Works  
17 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
18 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
19 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
20 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
21 equal to the amount of the matching fund shall be expended for the purposes provided in  
22 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
23 by the Board of Public Works shall be canceled and be of no further effect.

24 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to  
25 the Maryland Historical Trust a perpetual preservation easement to the extent of its  
26 interest:

27 (i) On the land or such portion of the land acceptable to the Trust;  
28 and

29 (ii) On the exterior and interior, where appropriate, of the historic  
30 structures.

31 (b) The easement must be in form and substance acceptable to the Trust  
32 and the extent of the interest to be encumbered must be acceptable to the Trust.

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

41 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
42 June 1, 1996.

