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**By: Delegates Walkup, W. Baker, and Guns**

Introduced and read first time: January 31, 1996

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Benedictine School for Exceptional Children**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000, the  
4 proceeds to be used as a grant to the Benedictine School for Exceptional Children  
5 in Caroline County 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; providing that no proceeds of a loan  
8 or any matching funds may be used for religious purposes; and providing generally  
9 for the issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on  
13 behalf of the State of Maryland through a State loan to be known as the Benedictine  
14 School for Exceptional Children Loan of 1996 in a total principal amount equal to the  
15 lesser of (i) \$150,000 or (ii) the amount of the matching fund provided in accordance with  
16 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
17 State general obligation bonds authorized by a resolution of the Board of Public Works  
18 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
19 Finance and Procurement Article and Article 31, § 22 of the Code.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
26 the books of the Comptroller and expended, on approval by the Board of Public Works,  
27 for the following public purposes, including any applicable architects' and engineers' fees:  
28 as a grant to the Benedictine School for Exceptional Children (known hereafter in this  
29 Act as "the grantee") for the repair and renovation of the Benedictine School for  
30 Exceptional Children in Caroline County, including replacement of roofs, road  
31 resurfacing and repair, and groundwater drainage improvements, and for the installation  
32 of air-conditioning in the Academic Hall.

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

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

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

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