
By: Delegates Branch, Cummings, Kirk, Harrison, and C. Mitchell

Introduced and read first time: February 2, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 Creation of a State Debt - Baltimore City - Community Human Development Centers

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$700,000, the
4 proceeds to be used as a grant to the Board of Directors of the FairChance Inc. for
5 certain acquisition, development, or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; requiring the grantee to grant and convey a
8 historic easement to the Maryland Historical Trust; prohibiting the grantee from
9 using the funds for sectarian religious purposes; 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
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 Baltimore City
15 - Community Human Development Centers Loan of 1996 in a total principal amount
16 equal to the lesser of (i) \$700,000 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
27 the books of the Comptroller and expended, on approval by the Board of Public Works,
28 for the following public purposes, including any applicable architects' and engineers' fees:
29 as a grant to the Board of Directors of the Fair Chance Inc. (referred to hereafter in this
30 Act as "the grantee") for the planning, design, construction, repair, and renovation of,
31 and for the provision of capital equipment and furniture for, buildings located at 20 and
32 40 South Caroline Street, to be known as the Family Life Center, and at 301 North Gay
33 Street, to be known as the Fair Chance Center, both facilities to be used for programs

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1 addressing the needs of low income people in the areas of education, job training, job
2 placement, family preservation, and other support services.

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

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

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

25 (i) On the land or such portion of the land acceptable to the Trust;
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic
28 structures.

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

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

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