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

Introduced and read first time: February 2, 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 - Baltimore City - Community Human DevelopmentCenters**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$700,000~~  
4 \$400,000, the proceeds to be used as a grant to the Board of Directors of the Fair  
5 Chance, 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 historic easement to the Maryland Historical Trust; prohibiting the grantee  
9 from using the funds for sectarian religious purposes; and providing generally for  
10 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 Baltimore City  
15 - Community Human Development Centers Loan of 1996 in a total principal amount  
16 equal to the lesser of (i) ~~\$700,000~~ \$400,000 or (ii) the amount of the matching fund  
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
18 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of  
19 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117  
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the  
21 Code.

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

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1 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
2 the books of the Comptroller and expended, on approval by the Board of Public Works,  
3 for the following public purposes, including any applicable architects' and engineers' fees:  
4 as a grant to the Board of Directors of the Fair Chance, Inc. ~~Corporation~~ (referred to  
5 hereafter in this Act as "the grantee") for the planning, design, construction, repair, and  
6 renovation of, and for the provision of capital equipment and furniture for, buildings  
7 located at 20 and 40 South Caroline Street, to be known as the Family Life Center, and  
8 at 301 North Gay Street, to be known as the Fair Chance Center, both facilities to be used  
9 for programs addressing the needs of low income people in the areas of education, job  
10 training, job placement, family preservation, and other support services.

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

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

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

33 (i) On the land or such portion of the land acceptable to the Trust;  
34 and

35 (ii) On the exterior and interior, where appropriate, of the historic  
36 structures.

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

39 (7) No portion of the proceeds of the loan or any of the matching funds may be  
40 used for the furtherance of sectarian religious instruction, or in connection with the  
41 design, acquisition, or construction of any building used or to be used as a place of  
42 sectarian religious worship or instruction, or in connection with any program or  
43 department of divinity for any religious denomination. Upon the request of the Board of  
44 Public Works, the grantee shall submit evidence satisfactory to the Board that none of the

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1 proceeds of the loan or any matching funds have been or are being used for a purpose  
2 prohibited by this Act.

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