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

Introduced and read first time: February 7, 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 - The Learning Bank**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$500,000~~  
4 \$200,000, the proceeds to be used as a grant to ~~the Board of Directors of The~~  
5 ~~Learning Bank~~ of COIL, Inc. for certain acquisition, development, or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a requirement  
7 that the grantee provide and expend a matching fund; and providing generally for  
8 the issuance and sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness on  
12 behalf of the State of Maryland through a State loan to be known as the Baltimore City  
13 - The Learning Bank Loan of 1996 in a total principal amount equal to the lesser of (i)  
14 ~~\$500,000~~ \$200,000 or (ii) the amount of the matching fund provided in accordance with  
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
16 State general obligation bonds authorized by a resolution of the Board of Public Works  
17 and issued, sold, and delivered in accordance with Sections 8-117 through 8-124 of the  
18 State Finance and Procurement Article and Article 31, Section 22 of the Code.

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 Section 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,  
26 for the following public purposes, including any applicable architects' and engineers' fees:

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1 as a grant to ~~the Board of Directors of The Learning Bank of~~ COIL, Inc. (referred to  
2 hereafter in this Act as "the grantee") for the repair, renovation, rehabilitation, and  
3 reconstruction of, and for the provision of capital equipment and furnishings for, a  
4 building at West Baltimore Street and Carrollton Avenue in Baltimore City, to be used as  
5 a community-based literacy center.

6 (4) An annual State tax is imposed on all assessable property in the State 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 and expend 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 in kind contributions. The fund may consist of real property or  
15 funds expended prior to the effective date of this Act. In case of any dispute as to the  
16 amount of the matching fund or what money or assets may qualify as matching funds, the  
17 Board of Public Works shall determine the matter and the Board's decision is final. The  
18 grantee has until June 1, 1998, to present evidence satisfactory to the Board of Public  
19 Works that a matching fund will be provided. If satisfactory evidence is presented, the  
20 Board shall certify this fact and the amount of the matching fund to the State Treasurer,  
21 and the proceeds of the loan equal to the amount of the matching fund shall be expended  
22 for the purposes provided in this Act. Any amount of the loan in excess of the amount of  
23 the matching fund certified by the Board of Public Works shall be canceled and be of no  
24 further effect.

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