
By: Senators Young, Blount, Pica, Kelley, Hoffman, Della, Hughes, McFadden, and Sfikas

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Union Baptist Church, Inc. - Child Care**
3 **Facility - Head Start**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$300,000, the
5 proceeds to be used as a grant to the Board of Directors of the Union Baptist
6 Church, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; providing that no proceeds of a loan or any
9 matching funds may be used for 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
15 City - Union Baptist Church, Inc. - Child Care Facility - Head Start Loan of 1996 in a
16 total principal amount equal to the lesser of (i) \$300,000 or (ii) the amount of the
17 matching fund provided in accordance with Section 1(5) below. This loan shall be
18 evidenced by the issuance, sale, and delivery of State general obligation bonds authorized
19 by a resolution of the Board of Public Works and issued, sold, and delivered in
20 accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article
21 and Article 31, § 22 of the 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
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
28 the books of the Comptroller and expended, on approval by the Board of Public Works,
29 for the following public purposes, including any applicable architects' and engineers' fees:
30 as a grant to the Board of Directors of the Union Baptist Church, Inc. (referred to
31 hereafter in this Act as "the grantee") for the planning, design, construction, and
32 equipping of a new child care facility, to be located at 1201-1217 Druid Hill Avenue in
33 Baltimore City, to be used for the Head Start program.

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 or in kind contributions. The fund may consist of
10 funds expended prior to the effective date of this Act. In case of any dispute as to the
11 amount of the matching fund or what money or assets may qualify as matching funds, the
12 Board of Public Works shall determine the matter and the Board's decision is final. The
13 grantee has until June 1, 1998, to present evidence satisfactory to the Board of Public
14 Works that a matching fund will be provided. If satisfactory evidence is presented, the
15 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
16 and the proceeds of the loan equal to the amount of the matching fund shall be expended
17 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
18 the matching fund certified by the Board of Public Works shall be canceled and be of no
19 further effect.

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

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