
By: Senators Della, Young, and Hoffman

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 - House of Mercy Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000, the
4 proceeds to be used as a grant to the House of Mercy Center for certain acquisition,
5 development, or improvement purposes; providing for disbursement of the loan
6 proceeds, subject to a requirement that the grantee provide and expend a matching
7 fund; prohibiting the use of any of the funds for sectarian religious purposes; and
8 providing generally for 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 - House of Mercy Center Loan of 1996 in a total principal amount equal to the lesser of
14 (i) \$500,000 or (ii) the amount of the matching fund provided in accordance with Section
15 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
16 general obligation bonds authorized by a resolution of the Board of Public Works and
17 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 Finance and Procurement Article and Article 31, § 22 of the Code.

19 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
20 single issue or may be consolidated and sold as part of a single issue of bonds under §
21 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:
27 as a grant to the House of Mercy Center (referred to hereafter in this Act as "the
28 grantee") for the planning, design, and construction of, and for the provision of capital
29 equipment for, a new building in Baltimore City, which will house a health clinic and
30 provide family and community support services, day care and after school programs for
31 children, pre-employment training, housing counseling, and other associated counseling
32 and advice services for the poor and needy in Baltimore City.

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. The fund
9 may consist of real property, in kind contributions, or funds expended prior to the
10 effective date of this Act. In case of any dispute as to the amount of the matching fund or
11 what money or assets may qualify as matching funds, the Board of Public Works shall
12 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 have been or are 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.