

CF 7r2238

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**By: Delegates Fulton, Rawlings, and Marriott**

Introduced and read first time: January 31, 1997

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 1997

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

**2 Creation of a State Debt - Baltimore City - Reservoir Hill H.O.P.E., Inc.**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,000,000~~  
4 \$500,000, the proceeds to be used as a grant to the Board of Directors of Reservoir  
5 Hill H.O.P.E., 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; prohibiting the use by the grantee of  
8 the proceeds of the bonds or the matching fund for sectarian religious purposes; and  
9 providing generally for the issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on  
13 behalf of the State of Maryland through a State loan to be known as the Baltimore City  
14 - Reservoir Hill H.O.P.E., Inc. Loan of 1997 in a total principal amount equal to the  
15 lesser of (i) ~~\$1,000,000~~ \$500,000 or (ii) the amount of the matching fund provided in  
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
17 and delivery of State general obligation bonds authorized by a resolution of the Board of  
18 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124  
19 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
21 single issue or may be consolidated and sold as part of a single issue of bonds under §  
22 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
26 the books of the Comptroller and expended, on approval by the Board of Public Works,

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1 for the following public purposes, including any applicable architects' and engineers' fees:  
2 as a grant to the Board of Directors of Reservoir Hill H.O.P.E., Inc. (referred to  
3 hereafter in this Act as "the grantee") for the acquisition, repair, renovation,  
4 reconstruction, and construction of a group of buildings on the south side of the 900 block  
5 of Whitelock Street in Baltimore City, to be used for the development of a center of light  
6 commercial retail facilities, of facilities for community programs for the needy, and of  
7 other facilities for charitable programs and activities.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the  
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
14 fund. No part of the grantee's matching fund may be provided, either directly or  
15 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
16 the fund may consist of in kind contributions. The fund may consist of real property or  
17 funds expended prior to the effective date of this Act. In case of any dispute as to the  
18 amount of the matching fund or what money or assets may qualify as matching funds, the  
19 Board of Public Works shall determine the matter and the Board's decision is final. The  
20 grantee has until June 1, 1999, to present evidence satisfactory to the Board of Public  
21 Works that a matching fund will be provided. If satisfactory evidence is presented, the  
22 Board shall certify this fact and the amount of the matching fund to the State Treasurer,  
23 and the proceeds of the loan equal to the amount of the matching fund shall be expended  
24 for the purposes provided in this Act. Any amount of the loan in excess of the amount of  
25 the matching fund certified by the Board of Public Works shall be canceled and be of no  
26 further effect.

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
36 June 1, 1997.

