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**By: Senator McFadden**

Introduced and read first time: January 27, 1997

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

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## CHAPTER \_\_\_\_

1 AN ACT concerning

**2 Creation of a State Debt - Baltimore City - Community Human Development Centers**

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 Board of Directors of the Fair Chance, Inc. for  
5 certain acquisition, development, or improvement purposes; providing for  
6 disbursement of the loan proceeds, subject to a requirement that the grantee  
7 provide and expend a matching fund; prohibiting the grantee from using the funds  
8 for sectarian religious purposes; and providing generally for the issuance and sale of  
9 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 - Community Human Development Centers Loan of 1997 in a total principal amount  
15 equal to the lesser of (i) \$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 the Fair Chance, Inc. (referred to hereafter in this  
3 Act as "the grantee") for the planning, design, demolition, construction, repair, and  
4 renovation of, and for the provision of capital equipment ~~and furniture~~, furniture, and  
5 parking for, buildings located at 301 through 323 North Gay Street, in Baltimore City, to  
6 be known as the Fair Chance Center, the buildings to be used for programs addressing  
7 the needs of low income people in the areas of education, job training, job placement,  
8 family preservation, and other support services.

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

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

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

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

