
By: Senators Kelley and Blount

Introduced and read first time: January 28, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

**2 Creation of a State Debt - Baltimore City - Martin Luther King, Jr., Memorial United
3 Methodist Church - Day Care Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000, the
5 proceeds to be used as a grant to the Martin Luther King, Jr., Memorial United
6 Methodist Church for certain acquisition, development, or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 grantee provide and expend a matching fund; prohibiting the grantee from using the
9 proceeds of the bonds or any of the matching fund for sectarian religious purposes;
10 and providing generally for the 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 Martin Luther
15 King, Jr., Memorial United Methodist Church - Day Care Center Loan of 1997 in a total
16 principal amount equal to the lesser of (i) \$500,000 or (ii) the amount of the matching
17 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of
19 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the
21 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 Martin Luther King, Jr., Memorial United Methodist Church (referred
31 to hereafter in this Act as "the grantee") for the planning, design, repair, renovation, and
32 reconstruction of, and for the provision of capital equipment for, a building in
33 Franklinton in Baltimore City, to be used as a day care center for children.

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. No part of the fund may consist of in kind contributions or
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, 1999, 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, 1997.