

CF 7r1772

By: Senators Hoffman, Amoss, Miller, Middleton, Neall, Blount, Van Hollen, and Conway

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Loyola College**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$3,000,000,
4 the proceeds to be used as a grant to Loyola College 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 grantee from using any of the proceeds of the bonds or the
8 matching funds for sectarian religious purposes; and providing generally for the
9 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 Loyola College
14 Loan of 1997 in a total principal amount equal to the lesser of (i) \$3,000,000 or (ii) the
15 amount of the matching fund provided in accordance with Section 1(5) below. This loan
16 shall be evidenced by the issuance, sale, and delivery of State general obligation bonds
17 authorized by a resolution of the Board of Public Works and issued, sold, and delivered in
18 accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article
19 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

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,
2 for the following public purposes, including any applicable architects' and engineers' fees:
3 as a grant to Loyola College (referred to hereafter in this Act as "the grantee") for the
4 ~~planning, design, and construction of, and for the provision of capital equipment for, a~~
5 ~~new academic building and for the planning, design, repair, renovation, and restoration~~
6 ~~of, and for the provision of capital equipment for, additions to Jenkins Hall~~ planning,
7 design, construction, and capital equipping of a new academic building and for the
8 planning, design, repair, renovation, restoration, and capital equipping of, and for
9 additions to, Jenkins Hall.

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

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

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

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

