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SB 634/96 - B&T

1997 Regular Session
7r2087
CF 7r2950

By: Senators Derr and Ferguson

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 - Frederick County Family YMCA**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$460,000, the
4 proceeds to be used as a grant to the Frederick County Family YMCA for certain
5 acquisition, development, or improvement purposes; providing for disbursement of
6 the loan proceeds, subject to a requirement that the grantee provide and expend a
7 matching fund; prohibiting the use of the grant or any of the matching funds for
8 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 Frederick County
14 Family YMCA Loan of 1997 in a total principal amount equal to the lesser of (i) \$460,000
15 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below.
16 This loan shall be evidenced by the issuance, sale, and delivery of State general obligation
17 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
18 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
19 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 Frederick County Family YMCA (referred to hereafter in this Act as
3 "the grantee") for the planning, design, construction, and ~~equipping~~ capital equipping of
4 an addition to the current facility in Frederick County, to be used as a youth center; and
5 a child care center; ~~and a locker room.~~

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

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

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

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