
By: Senator Hughes

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Creation of a State Debt - Baltimore City - Madison Avenue Development Corporation

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000, the
4 proceeds to be used as a grant to the Madison Avenue Development Corporation
5 for 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 use of the proceeds of the
8 bonds or the matching funds for sectarian religious purposes; and providing
9 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 - Madison Avenue Development Corporation Loan of 1997 in a total principal amount
15 equal to the lesser of (i) \$200,000 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,
27 for the following public purposes, including any applicable architects' and engineers' fees:
28 as a grant to the Madison Avenue Development Corporation (referred to hereafter in this
29 Act as "the grantee") for the planning, design, and construction of, and for the provision
30 of capital equipment for, an outreach center in Baltimore City.

31 (4) An annual State tax is imposed on all assessable property in the State in rate
32 and amount sufficient to pay the principal of and interest on the bonds, as and when due

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1 and until paid in full. The principal shall be discharged within 15 years after the date of
2 issuance of the bonds.

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

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

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