
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 - Reservoir Hill H.O.P.E., Inc.

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,
4 the proceeds to be used as a grant to the Board of Directors of Reservoir Hill
5 H.O.P.E., Inc. for certain acquisition, development, or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that the
7 grantee provide and expend a matching fund; prohibiting the use by the grantee of
8 the proceeds of the bonds or the matching fund for sectarian religious purposes; and
9 providing 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
13 on behalf of the State of Maryland through a State loan to be known as the Baltimore City
14 - Reservoir Hill H.O.P.E., Inc. Loan of 1997 in a total principal amount equal to the
15 lesser of (i) \$1,000,000 or (ii) the amount of the matching fund provided in accordance
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public Works
18 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
19 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
21 as a 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
24 and first shall be applied to the payment of the expenses of issuing, selling, and delivering
25 the bonds, unless funds for this purpose are otherwise provided, and then shall be
26 credited on the books of the Comptroller and expended, on approval by the Board of
27 Public Works, for the following public purposes, including any applicable architects' and
28 engineers' fees: as a grant to the Board of Directors of Reservoir Hill H.O.P.E., Inc.
29 (referred to hereafter in this Act as "the grantee") for the acquisition, repair, renovation,
30 reconstruction, and construction of a group of buildings on the south side of the 900 block
31 of Whitelock Street in Baltimore City, to be used for the development of a center of light
32 commercial retail facilities, of facilities for community programs for the needy, and of
33 other facilities for charitable programs and activities.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for
6 the purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching 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. No part of
9 the fund may consist of in kind contributions. The fund may consist of real property 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
21 be 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.