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By: **Delegates Rawlings, Fulton, Kirk, Watson, Marriott, Branch, and C. Mitchell**

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Assigned to: Appropriations

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Committee Report: Favorable  
House action: Adopted  
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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Payne Memorial Outreach, Inc.**  
3 **Human and Economic Development Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
5 the proceeds to be used as a grant to the Board of Directors of Payne Memorial  
6 Outreach, Inc. for certain acquisition, development, or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; prohibiting the use of the  
9 proceeds or any of the matching funds for sectarian religious purposes; and  
10 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 Baltimore  
15 City - Payne Memorial Outreach, Inc. Human and Economic Development Center  
16 Loan of 1998 in a total principal amount equal to the lesser of (i) \$500,000 or (ii) the  
17 amount of the matching fund provided in accordance with Section 1(5) below. This  
18 loan shall be evidenced by the issuance, sale, and delivery of State general obligation  
19 bonds authorized by a resolution of the Board of Public Works and issued, sold, and  
20 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
21 Procurement Article and Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as  
23 a 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
2 and first shall be applied to the payment of the expenses of issuing, selling, and  
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
4 shall be credited on the books of the Comptroller and expended, on approval by the  
5 Board of Public Works, for the following public purposes, including any applicable  
6 architects' and engineers' fees: as a grant to the Board of Directors of Payne Memorial  
7 Outreach, Inc. (referred to hereafter in this Act as "the grantee") for the planning,  
8 design, repair, renovation, reconstruction, construction, and capital equipping and  
9 furnishing of a building on Madison Avenue in Baltimore City, the building to be used  
10 by Payne Memorial Outreach, Inc. as a human and community development center.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the  
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
17 matching fund. No part of the grantee's matching fund may be provided, either  
18 directly or indirectly, from funds of the State, whether appropriated or  
19 unappropriated. No part of the fund may consist of in kind contributions. The fund  
20 may consist of real property or funds expended prior to the effective date of this Act.  
21 In case of any dispute as to the amount of the matching fund or what money or assets  
22 may qualify as matching funds, the Board of Public Works shall determine the matter  
23 and the Board's decision is final. The grantee has until June 1, 2000, to present  
24 evidence satisfactory to the Board of Public Works that a matching fund will be  
25 provided. If satisfactory evidence is presented, the Board shall certify this fact and  
26 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
27 equal to the amount of the matching fund shall be expended for the purposes provided  
28 in this Act. Any amount of the loan in excess of the amount of the matching fund  
29 certified by the Board of Public Works shall be canceled and be of no further effect.

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

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
39 June 1, 1998.

