

HOUSE BILL 858

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B2

1998 Regular Session  
8lr2207  
CF 8lr1812

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By: **Delegates Branch, C. Davis, Harrison, Taylor, Rawlings, Rosenberg,  
McIntosh, M. Burns, and C. Mitchell**

Introduced and read first time: February 12, 1998

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - St. Frances Academy**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,500,000~~  
4 \$500,000, the proceeds to be used as a grant to St. Frances Academy for certain  
5 acquisition, development, or improvement purposes; providing for disbursement  
6 of the loan proceeds, subject to a requirement that the grantee provide and  
7 expend a matching fund; prohibiting the use of the proceeds or any of 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 Baltimore  
14 City - St. Frances Academy Loan of 1998 in a total principal amount equal to the  
15 lesser of (i) ~~\$1,500,000~~, \$500,000 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  
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
19 8-124 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  
21 a simple 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

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to St. Frances Academy (referred to  
5 hereafter in this Act as "the grantee") for the planning, design, construction, and  
6 capital equipping of ~~a multipurpose community~~ an infirmary and athletic facility.

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

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

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

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