

HOUSE BILL 1309

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B2

1998 Regular Session
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CF SB 678

By: **Delegates Kirk, Watson, Oaks, Boston, C. Davis, Rawlings, Fulton,
Harrison, C. Mitchell, and Marriott**

Introduced and read first time: February 18, 1998

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, February 23, 1998

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - St. James Academy Education**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$600,000~~
5 \$650,000, the proceeds to be used as a grant to the Board of Directors of St.
6 James Academy 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 the matching fund for sectarian religious purposes; requiring the
10 grantee to grant and convey a certain easement to the Maryland Historical
11 Trust; and providing generally for the issuance and sale of bonds evidencing the
12 loan.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That:

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Baltimore
17 City - St. James Academy Education Center Loan of 1998 in a total principal amount
18 equal to the lesser of (i) ~~\$600,000~~ \$650,000 or (ii) the amount of the matching fund
19 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
20 issuance, sale, and delivery of State general obligation bonds authorized by a
21 resolution of the Board of Public Works and issued, sold, and delivered in accordance
22 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
23 Article 31, § 22 of the Code.

1 (2) The bonds to evidence this loan or installments of this loan may be sold as
2 a single issue or may be consolidated and sold as part of a single issue of bonds under
3 § 8-122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes, including any applicable
9 architects' and engineers' fees: as a grant to the Board of Directors of St. James
10 Academy (referred to hereafter in this Act as "the grantee") for the repair, renovation,
11 reconstruction, construction, and capital equipping of a building at 1008 West
12 Lafayette Street for use as a comprehensive education center for children and youth.

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

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

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

40 (7) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
41 to the Maryland Historical Trust a perpetual preservation easement to the extent of
42 its interest on the exterior, where appropriate, of the historic structures.

1 (b) The easement must be in form and substance acceptable to the Trust
2 and the extent of the interest to be encumbered must be acceptable to the Trust.

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