

HOUSE BILL 1326

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B2

1998 Regular Session  
8lr2674  
CF 8lr2631

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By: **Delegates Montague, Doory, Curran, C. Davis, Harrison, Branch,  
Boston, and Rawlings**

Introduced and read first time: February 20, 1998  
Assigned to: Rules and Executive Nominations  
Re-referred to: Appropriations, March 2, 1998

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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 - Morgan Christian Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,005,000~~  
4 \$150,000, the proceeds to be used as a grant to the Board of Trustees of Morgan  
5 Christian Center of Baltimore, Maryland for certain acquisition, development,  
6 or improvement purposes; providing for disbursement of the loan proceeds,  
7 subject to a requirement that the grantee and Morgan State University jointly  
8 provide and expend a matching fund; prohibiting the use of the proceeds or any  
9 of the matching funds for sectarian religious purposes; and providing generally  
10 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 - Morgan Christian Center Loan of 1998 in a total principal amount equal to the  
16 lesser of (i) ~~\$1,005,000~~ \$150,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
20 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as  
22 a single issue or may be consolidated and sold as part of a single issue of bonds under  
23 § 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 Trustees of Morgan  
7 Christian Center of Baltimore, Maryland(referred to hereafter in this Act as "the  
8 grantee") for the planning, design, repair, renovation, and capital equipping and  
9 furnishing of the Center, which is used as a community outreach center for students  
10 at Morgan State University and the surrounding community.

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

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

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

