

SENATE BILL 161

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B2

1998 Regular Session  
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By: **Senator Astle**

Introduced and read first time: January 23, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Harbour School**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,  
4 the proceeds to be used as a grant to the Board of Directors of the Anne Arundel  
5 County Harbour School, Inc. for certain acquisition, development, or  
6 improvement purposes; providing for disbursement of the loan proceeds, subject  
7 to a requirement that the grantee provide and expend a matching fund;  
8 prohibiting the use of the proceeds or any of the matching funds for sectarian  
9 religious purposes; and providing generally for the issuance and sale of bonds  
10 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 Anne Arundel  
15 County - Harbour School Loan of 1998 in a total principal amount equal to the lesser  
16 of (i) \$400,000 or (ii) the amount of the matching fund provided in accordance with  
17 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
18 State general obligation bonds authorized by a resolution of the Board of Public  
19 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of  
20 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.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
25 and first shall be applied to the payment of the expenses of issuing, selling, and  
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
27 shall be credited on the books of the Comptroller and expended, on approval by the  
28 Board of Public Works, for the following public purposes, including any applicable  
29 architects' and engineers' fees: as a grant to the Board of Directors of the Anne  
30 Arundel County Harbour School, Inc. (referred to hereafter in this Act as "the  
31 grantee") for the repair, renovation, expansion, reconstruction, construction, and  
32 capital equipping of an existing building, including the planning, design,

1 construction, and capital equipping of a gymnasium to be used for therapeutic,  
2 rehabilitation, and recreation programs.

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

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

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

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