

SENATE BILL 455

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1998 Regular Session
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CF 8r2207

By: **Senators McFadden, Miller, Blount, Hughes, Conway, Kelley, and
McCabe McCabe, and Jefferies**

Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 27, 1998

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 \$750,000, 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~~ \$750,000, 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 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 real property, in kind
16 contributions, or funds expended prior to the effective date of this Act. ~~The matching~~
17 ~~fund may consist of real property.~~ In case of any dispute as to the amount of the
18 matching fund or what money or assets may qualify as matching funds, the Board of
19 Public Works shall determine the matter and the Board's decision is final. The
20 grantee has until June 1, 2000, to present evidence satisfactory to the Board of Public
21 Works that a matching fund will be provided. If satisfactory evidence is presented, the
22 Board shall certify this fact and the amount of the matching fund to the State
23 Treasurer, and the proceeds of the loan equal to the amount of the matching fund
24 shall be expended for the purposes provided in this Act. Any amount of the loan in
25 excess of the amount of the matching fund certified by the Board of Public Works
26 shall be canceled and be of no further effect.

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

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

