
By: **Senators Madden, Kasemeyer, and McCabe**
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 - Howard County - The Guilford Community**
3 **Foundation, Inc.**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$600,000~~
5 \$400,000, the proceeds to be used as a grant to the Board of Directors of The
6 Guilford Community Foundation, Inc. for certain acquisition, development, or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 prohibiting the use of the proceeds or any of the matching funds for sectarian
10 religious purposes; and providing generally for the issuance and sale of bonds
11 evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Howard
16 County - The Guilford Community Foundation, Inc. Loan of 1998 in a total principal
17 amount equal to the lesser of (i) ~~\$600,000~~ \$400,000 or (ii) the amount of the matching
18 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
19 the issuance, sale, and delivery of State general obligation bonds authorized by a
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as
24 a single issue or may be consolidated and sold as part of a single issue of bonds under
25 § 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 Directors of The Guilford
7 Community Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
8 repair, renovation, rehabilitation, and capital equipping of a building for use as a
9 community center.

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

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

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

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

