
By: **Senator Blount**

Introduced and read first time: February 12, 1998

Assigned to: Rules

A BILL ENTITLED

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 the proceeds to be used as a grant to the Board of Directors of St. James
6 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; and providing
10 generally 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 - St. James Academy Education Center Loan of 1998 in a total principal amount
16 equal to the lesser of (i) \$600,000 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.

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 St. James
30 Academy (referred to hereafter in this Act as "the grantee") for the repair, renovation,
31 reconstruction, construction, and capital equipping of a building at 1008 West
32 Lafayette Street for use as a comprehensive education center for children and youth.

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

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

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

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