

SENATE BILL 678

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B2

1998 Regular Session  
8r2270  
CF 8r2656

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By: **Senator Blount**  
Introduced and read first time: February 12, 1998  
Assigned to: Rules  
Re-referred to: Budget and Taxation, February 18, 1998

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

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CHAPTER \_\_\_\_\_

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 \$500,000, the proceeds to be used as a grant to the Board of Directors of St.  
6 James 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~~ \$500,000 or (ii) the amount of the matching fund  
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
18 issuance, sale, and delivery of State general obligation bonds authorized by a  
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
21 Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as  
23 a single issue or may be consolidated and sold as part of a single issue of bonds under  
24 § 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 St. James  
7 Academy (referred to hereafter in this Act as "the grantee") for the repair, renovation,  
8 reconstruction, construction, and capital equipping of a building at 1008 West  
9 Lafayette Street for use as a comprehensive education center for children and youth.

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

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

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

