

HOUSE BILL 451

Unofficial Copy  
B2

1999 Regular Session  
(9r1536)

*ENROLLED BILL*  
*-- Appropriations/Budget and Taxation --*

Introduced by **Delegates Guns, Conway, Schisler, Eckardt, W. Baker,  
McClenahan, and Bozman**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Caroline County - The Benedictine School for**  
3 **Exceptional Children, Inc.**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$500,000~~  
5 ~~\$300,000~~ \$275,000, the proceeds to be used as a grant to The Benedictine School  
6 for Exceptional Children, Inc. for certain development or improvement  
7 purposes; providing for disbursement of the loan proceeds, subject to a  
8 requirement that the grantee provide and expend a matching fund; prohibiting  
9 the use of the grant or of the matching funds for sectarian religious purposes;  
10 and providing 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 Caroline  
15 County - The Benedictine School for Exceptional Children, Inc. Loan of 1999 in a

1 total principal amount equal to the lesser of (i) ~~\$500,000~~ ~~\$300,000~~ \$275,000 or (ii) the  
2 amount of the matching fund provided in accordance with Section 1(5) below. This  
3 loan shall be evidenced by the issuance, sale, and delivery of State general obligation  
4 bonds authorized by a resolution of the Board of Public Works and issued, sold, and  
5 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
6 Procurement Article and Article 31, § 22 of the Code.

7 (2) The bonds to evidence this loan or installments of this loan may be sold as  
8 a single issue or may be consolidated and sold as part of a single issue of bonds under  
9 § 8-122 of the State Finance and Procurement Article.

10 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
11 and first shall be applied to the payment of the expenses of issuing, selling, and  
12 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
13 shall be credited on the books of the Comptroller and expended, on approval by the  
14 Board of Public Works, for the following public purposes, including any applicable  
15 architects' and engineers' fees: as a grant to The Benedictine School for Exceptional  
16 Children, Inc. (referred to hereafter in this Act as "the grantee") for the construction,  
17 reconstruction, repair, renovation, and capital equipping of an Industrial Training  
18 Center, a Respite Care Home, and a home for adults with developmental disabilities.

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

23 (5) Prior to the payment of any funds under the provisions of this Act for the  
24 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
25 matching fund. No part of the grantee's matching fund may be provided, either  
26 directly or indirectly, from funds of the State, whether appropriated or  
27 unappropriated. No part of the fund may consist of real property, in kind  
28 contributions, or funds expended prior to the effective date of this Act. In case of any  
29 dispute as to the amount of the matching fund or what money or assets may qualify  
30 as matching funds, the Board of Public Works shall determine the matter and the  
31 Board's decision is final. The grantee has until June 1, 2001, to present evidence  
32 satisfactory to the Board of Public Works that a matching fund will be provided. If  
33 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
34 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
35 amount of the matching fund shall be expended for the purposes provided in this Act.  
36 Any amount of the loan in excess of the amount of the matching fund certified by the  
37 Board of Public Works shall be canceled and be of no further effect.

38 (6) No portion of the proceeds of the loan or any of the matching funds may be  
39 used for the furtherance of sectarian religious instruction, or in connection with the  
40 design, acquisition, or construction of any building used or to be used as a place of  
41 sectarian religious worship or instruction, or in connection with any program or  
42 department of divinity for any religious denomination. Upon the request of the Board  
43 of Public Works, the grantee shall submit evidence satisfactory to the Board that none

1 of the proceeds of the loan or any matching funds have been or are being used for a  
2 purpose prohibited by this Act.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 June 1, 1999.