

HOUSE BILL 1041

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B2

1999 Regular Session
9lr2317
CF 9lr2392

By: **Delegates Kirk, Taylor, Rawlings, V. Jones, Paige, Gladden, Oaks,
Marriott, McIntosh, Fulton, C. Davis, Harrison, Phillips, Branch, Doory,
Montague, A. Jones, Nathan-Pulliam, and Krysiak**

Introduced and read first time: February 17, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Union Baptist Church, Inc. -**
3 **Child Care Facility - Head Start**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000,
5 the proceeds to be used as a grant to the Board of Directors of the Union Baptist
6 Church, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; providing that no proceeds of a loan or any
9 matching funds may be used for religious purposes; and providing generally for
10 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 - Union Baptist Church, Inc. - Child Care Facility - Head Start Loan of 1999 in
16 a total principal amount equal to the lesser of (i) \$150,000, or (ii) the amount of the
17 matching fund provided in accordance with Section 1(5) below. This loan shall be
18 evidenced by the issuance, sale, and delivery of State general obligation bonds
19 authorized by a resolution of the Board of Public Works and issued, sold, and
20 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
21 Procurement Article and 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.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
28 shall be credited on the books of the Comptroller and expended, on approval by the
29 Board of Public Works, for the following public purposes, including any applicable
30 architects' and engineers' fees: as a grant to the Board of Directors of the Union

1 Baptist Church, Inc. (referred to hereafter in this Act as "the grantee") for the
2 planning, design, construction, expansion, and capital equipping of a new child care
3 facility, to be located at 1201-1217 Druid Hill Avenue in Baltimore City, to be used for
4 the Head Start program.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
11 matching fund. No part of the grantee's matching fund may be provided, either
12 directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. No part of the fund may consist of real property or in kind
14 contributions. The fund may consist of funds expended prior to the effective date of
15 this Act. In case of any dispute as to the amount of the matching fund or what money
16 or assets may qualify as matching funds, the Board of Public Works shall determine
17 the matter and the Board's decision is final. The grantee has until June 1, 2001, to
18 present evidence satisfactory to the Board of Public Works that a matching fund will
19 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
20 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
21 equal to the amount of the matching fund shall be expended for the purposes provided
22 in this Act. Any amount of the loan in excess of the amount of the matching fund
23 certified by the Board of Public Works shall be canceled and be of no further effect.

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

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