

SENATE BILL 353

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B2

1999 Regular Session
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By: **Senator McFadden**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 1999

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Community Initiatives Academy**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$900,000~~
4 \$300,000, the proceeds to be used as a grant to the Board of Directors of
5 Community Initiatives, Inc. for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that
7 the grantee provide and expend a matching fund; prohibiting the grantee from
8 expending any of the proceeds of the bonds or the matching funds for sectarian
9 religious purposes; and providing generally for the issuance and sale of bonds
10 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 - Community Initiatives Academy Loan of 1999 in a total principal amount equal
16 to the lesser of (i) ~~\$900,000~~ \$300,000 or (ii) the amount of the matching fund provided
17 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,
18 sale, and delivery of State general obligation bonds authorized by a resolution of the
19 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of
21 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 Community
7 Initiatives, Inc. (referred to hereafter in this Act as "the grantee") for the planning,
8 design, construction, and capital equipping of the Community Initiatives Academy, an
9 educational institution to serve underserved inner-city students from kindergarten
10 through grade 12 in a multi-cultural urban environment.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund. No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. No part of the fund may consist of real property, in kind
20 contributions, or funds expended prior to the effective date of this Act. In case of any
21 dispute as to the amount of the matching fund or what money or assets may qualify
22 as matching funds, the Board of Public Works shall determine the matter and the
23 Board's decision is final. The grantee has until June 1, 2001, to present evidence
24 satisfactory to the Board of Public Works that a matching fund will be provided. If
25 satisfactory evidence is presented, the Board shall certify this fact and the amount of
26 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
27 amount of the matching fund shall be expended for the purposes provided in this Act.
28 Any amount of the loan in excess of the amount of the matching fund certified by the
29 Board of Public Works 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
39 effect June 1, 1999.

