

SENATE BILL 489

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B2

1999 Regular Session
9r1996
CF 9r1946

By: **Senator Lawlah**
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 - Prince George's County - ~~Kairus~~ New Chapel**
3 **Baptist Church Community Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$700,000~~
5 \$600,000, the proceeds to be used as a grant to the Board of Trustees of the
6 ~~Kairus Community Corporation~~ New Chapel Baptist Church, Inc. for certain
7 development or improvement purposes; providing for disbursement of the loan
8 proceeds, subject to a requirement that the grantee provide and expend a
9 matching fund; prohibiting the use of the proceeds or any of the matching funds
10 for sectarian religious purposes; and providing generally for the issuance and
11 sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Prince
16 George's County - ~~Kairus~~ New Chapel Baptist Church Community Center Loan of
17 1999 in a total principal amount equal to the lesser of (i) ~~\$700,000~~ \$600,000 or (ii) the
18 amount of the matching fund provided in accordance with Section 1(5) below. This
19 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
20 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
21 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
22 Procurement Article and Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as
24 a single issue or may be consolidated and sold as part of a single issue of bonds under
25 § 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 Trustees of the ~~Kairus~~
7 ~~Community Corporation~~ New Chapel Baptist Church, Inc. (referred to hereafter in
8 this Act as "the grantee") for the planning, design, demolition, construction,
9 renovation, reconstruction, and capital equipping of a community empowerment
10 center ~~and, including classrooms, a kitchen, and a~~ gymnasium for the citizens of the
11 surrounding area.

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

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

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

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

