

SENATE BILL 621

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B2

1999 Regular Session
9r1911
CF 9r2287

By: **Senators Mitchell and 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 - St. Frances Academy**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,000,000~~
4 \$300,000, the proceeds to be used as a grant to St. Frances Academy, Inc. for
5 certain acquisition, development, or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; prohibiting the use of the proceeds or any
8 of the matching funds for sectarian religious purposes; requiring the grantee to
9 grant and convey a certain easement to the Maryland Historical Trust; and
10 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 Baltimore
15 City - St. Frances Academy Loan of 1999 in a total principal amount equal to the
16 lesser of (i) ~~\$1,000,000~~ \$300,000, or (ii) the amount of the matching fund provided in
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and delivery of State general obligation bonds authorized by a resolution of the Board
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
20 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to St. Frances Academy, Inc.(referred to
5 hereafter in this Act as "the grantee") for the planning, design, construction, and
6 capital equipping of a multipurpose community and athletic facility.

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

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

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

34 (7) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
35 to the Maryland Historical Trust a perpetual preservation easement to the extent of
36 its interest:

37 (i) On the land or such portion of the land acceptable to the Trust;
38 and

39 (ii) On the exterior and interior, where appropriate, of the historic
40 structures.

41 (b) The easement must be in form and substance acceptable to the
42 Trust and the extent of the interest to be encumbered must be acceptable to the Trust.

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