

HOUSE BILL 961

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B2

2000 Regular Session  
0lr2419  
CF 0lr2162

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By: **Delegates Rawlings, Fulton, and Marriott**  
Introduced and read first time: February 11, 2000  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: April 1, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Grace Outreach Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000,  
4 the proceeds to be used as a grant to the Board of Directors of Grace Outreach  
5 Development Corporation, Inc. for certain development or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a  
7 requirement that the grantee provide and expend a matching fund; providing  
8 that no proceeds of a loan or any matching funds may be used for religious  
9 purposes; and providing generally for the issuance and sale of bonds evidencing  
10 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 - Grace Outreach Center Loan of 2000 in a total principal amount equal to the  
16 lesser of (i) \$200,000 or (ii) the amount of the matching fund provided in accordance  
17 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
18 delivery of State general obligation bonds authorized by a resolution of the Board of  
19 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 the Board of Directors of Grace Outreach  
5 Development Corporation, Inc. (referred to hereafter in this Act as "the grantee") for  
6 the planning, design, construction, and capital equipping of the Grace Outreach  
7 Center in Baltimore City.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the  
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
14 matching fund. No part of the grantee's matching fund may be provided, either  
15 directly or indirectly, from funds of the State, whether appropriated or  
16 unappropriated. No part of the fund may consist of real property. The fund may  
17 consist of in kind contributions or funds expended prior to the effective date of this  
18 Act. In case of any dispute as to the amount of the matching fund or what money or  
19 assets may qualify as matching funds, the Board of Public Works shall determine the  
20 matter and the Board's decision is final. The grantee has until June 1, 2002, to  
21 present evidence satisfactory to the Board of Public Works that a matching fund will  
22 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
23 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
24 equal to the amount of the matching fund shall be expended for the purposes provided  
25 in this Act. Any amount of the loan in excess of the amount of the matching fund  
26 certified by the Board of Public Works shall be canceled and be of no further effect.

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
36 June 1, 2000.

