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By: **Delegates Moe, Frush, Menes, and Giannetti**  
Introduced and read first time: January 18, 2001  
Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Prince George's County - Pallotti Day Care Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,  
4 the proceeds to be used as a grant to the Board of Trustees of the Missionary  
5 Sisters of the Catholic Apostolate, 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 generally for the issuance and sale of bonds evidencing the loan; and prohibiting  
9 the use of the proceeds of the sale of the bonds and the matching fund for  
10 religious purposes.

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 Prince  
15 George's County - Pallotti Day Care Center Loan of 2001 in a total principal amount  
16 equal to the lesser of (i) \$1,000,000 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.

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 Missionary  
31 Sisters of the Catholic Apostolate, Inc. (referred to hereafter in this Act as "the

1 grantee") for the planning, design, construction and capital equipping of a day care  
2 and after school care facility to be located at 113 St. Mary's Place in Laurel.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the  
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
9 matching fund. No part of the grantee's matching fund may be provided, either  
10 directly or indirectly, from funds of the State, whether appropriated or  
11 unappropriated. No part of the fund may consist of real property, in kind  
12 contributions, or funds expended prior to the effective date of this Act. In case of any  
13 dispute as to the amount of the matching fund or what money or assets may qualify  
14 as matching funds, the Board of Public Works shall determine the matter and the  
15 Board's decision is final. The grantee has until June 1, 2003, to present evidence  
16 satisfactory to the Board of Public Works that a matching fund will be provided. If  
17 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
19 amount of the matching fund shall be expended for the purposes provided in this Act.  
20 Any amount of the loan in excess of the amount of the matching fund certified by the  
21 Board of Public Works shall be canceled and be of no further effect.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 June 1, 2001.