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By: **Delegates Bozman, Conway, and McClenahan**  
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Committee Report: Favorable  
House action: Adopted  
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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Worcester County - Mid-Delmarva Family YMCA**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$375,000,  
4 the proceeds to be used as a grant to the Board of Directors of the  
5 Mid-Delmarva Family YMCA, Inc., for 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 use of the  
8 proceeds of the sale of the bonds and the matching fund for sectarian 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 Worcester  
15 County - Mid-Delmarva Family YMCA Loan of 2001 in a total principal amount  
16 equal to the lesser of (i) \$375,000 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 the Board of Directors of the  
5 Mid-Delmarva Family YMCA, Inc. (referred to hereafter in this Act as "the grantee")  
6 for the planning, design, construction, and capital equipping of a new facility on  
7 County donated property that can provide recreational opportunities to underserved  
8 communities on the Eastern Shore.

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

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

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

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

