

SENATE BILL 101

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B2

2001 Regular Session
1r1172

By: **Senator Sfikas**

Introduced and read first time: January 15, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Highlandtown Boys and Girls**
3 **Club**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
5 the proceeds to be used as a grant to the Board of Trustees of The Salvation
6 Army for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; prohibiting the use of the proceeds of the
9 sale of the bonds and the matching fund for sectarian religious purposes; 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 - Highlandtown Boys and Girls Club Loan of 2001 in a total principal amount
16 equal to the lesser of (i) \$1,500,000 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 Trustees of The Salvation
31 Army (referred to hereafter in this Act as "the grantee") for the renovation of The
32 Salvation Army Highlandtown Boys and Girls Club on Clinton Street in Baltimore.

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

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

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

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