

SENATE BILL 137

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B2

2001 Regular Session  
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By: **Senator Della**

Introduced and read first time: January 18, 2001

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - St. Veronica's Head Start at Mt.**  
3 **Winans School**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$750,000,  
5 the proceeds to be used as a grant to the Board of Directors of Associated  
6 Catholic Charities, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; prohibiting the use of the  
9 proceeds of the sale of the bonds and the matching fund for sectarian religious  
10 purposes; and providing generally for the issuance and sale of bonds evidencing  
11 the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Baltimore  
16 City - St. Veronica's Head Start at Mt. Winans School Loan of 2001 in a total  
17 principal amount equal to the lesser of (i) \$750,000 or (ii) the amount of the matching  
18 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
19 the issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as  
24 a single issue or may be consolidated and sold as part of a single issue of bonds under  
25 § 8-122 of the State Finance and Procurement Article.

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and  
28 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
29 shall be credited on the books of the Comptroller and expended, on approval by the  
30 Board of Public Works, for the following public purposes, including any applicable  
31 architects' and engineers' fees: as a grant to the Board of Directors of Associated  
32 Catholic Charities, Inc. (referred to hereafter in this Act as "the grantee") for the

1 acquisition, planning, repair, renovation, reconstruction, and capital equipping of Mt.  
2 Winans School in Baltimore to serve as a Head Start and early Head Start center for  
3 children in the community.

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

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

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

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