

SENATE BILL 323

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2001 Regular Session
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CF 1r1356

By: **Harford County Senators**

Introduced and read first time: January 30, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Harford County - Hosanna School**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$186,227,
4 the proceeds to be used as a grant to the Board of Commissioners of the Harford
5 County Historic Preservation Commission for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 requiring the grantee to grant and convey a certain easement to the Maryland
9 Historical Trust; prohibiting the use of the proceeds of the sale of the bonds and
10 the matching fund for sectarian religious purposes; and providing generally for
11 the issuance and sale of bonds evidencing 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 Harford
16 County - Hosanna School Loan of 2001 in a total principal amount equal to the lesser
17 of (i) \$186,227 or (ii) the amount of the matching fund provided in accordance with
18 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
19 State general obligation bonds authorized by a resolution of the Board of Public
20 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
21 the State Finance and Procurement Article and Article 31, § 22 of 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 Commissioners of the
31 Harford County Historic Preservation Commission (referred to hereafter in this Act

1 as "the grantee") for the planning, design, construction, reconstruction, and capital
2 equipping of the Hosanna School, located in Berkley, Maryland.

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. The fund may consist of real property, in kind contributions, or funds
12 expended prior to the effective date of this Act. In case of any dispute as to the amount
13 of the matching fund or what money or assets may qualify as matching funds, the
14 Board of Public Works shall determine the matter and the Board's decision is final.
15 The grantee has until June 1, 2003, to present evidence satisfactory to the Board of
16 Public Works that a matching fund will be provided. If satisfactory evidence is
17 presented, the Board shall certify this fact and the amount of the matching fund to
18 the State Treasurer, and the proceeds of the loan equal to the amount of the matching
19 fund shall be expended for the purposes provided in this Act. Any amount of the loan
20 in excess of the amount of the matching fund certified by the Board of Public Works
21 shall be canceled and be of no further effect.

22 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
23 to the Maryland Historical Trust a perpetual preservation easement to the extent of
24 its interest:

25 (i) On the land or such portion of the land acceptable to the Trust;
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic
28 structures.

29 (b) The easement must be in form and substance acceptable to the Trust
30 and the extent of the interest to be encumbered must be acceptable to the Trust.

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

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