

SENATE BILL 323

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2001 Regular Session
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CF 11r1356

By: **Harford County Senators**
Introduced and read first time: January 30, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2001

CHAPTER _____

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 \$150,000, the proceeds to be used as a grant to the Board of Commissioners of
5 the Harford County Historic Preservation Commission for certain development
6 or improvement purposes; providing for disbursement of the loan proceeds,
7 subject 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~~ \$150,000 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
21 8-124 of 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
 2 and first shall be applied to the payment of the expenses of issuing, selling, and
 3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
 4 shall be credited on the books of the Comptroller and expended, on approval by the
 5 Board of Public Works, for the following public purposes, including any applicable
 6 architects' and engineers' fees: as a grant to the Board of Commissioners of the
 7 Harford County Historic Preservation Commission (referred to hereafter in this Act
 8 as "the grantee") for the planning, design, construction, reconstruction, and capital
 9 equipping of the Hosanna School, located in Berkley, Maryland.

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

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

29 ~~(6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey~~
 30 ~~to the Maryland Historical Trust a perpetual preservation easement to the extent of~~
 31 ~~its interest.~~

32 (i) ~~On the land or such portion of the land acceptable to the Trust;~~
 33 ~~and~~

34 (ii) ~~On the exterior and interior, where appropriate, of the historic~~
 35 ~~structures.~~

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

38 ~~(7)~~ (6) No portion of the proceeds of the loan or any of the matching funds
 39 may be used for the furtherance of sectarian religious instruction, or in connection
 40 with the design, acquisition, or construction of any building used or to be used as a
 41 place of sectarian religious worship or instruction, or in connection with any program
 42 or department of divinity for any religious denomination. Upon the request of the

1 Board of Public Works, the grantee shall submit evidence satisfactory to the Board
2 that none of the proceeds of the loan or any matching funds have been or are being
3 used for a purpose prohibited by this Act.

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