

HOUSE BILL 997

Unofficial Copy  
B2

2003 Regular Session  
3r2293  
CF 3r2294

---

By: **Delegates V. Clagett and McMillan**  
Introduced and read first time: February 14, 2003  
Assigned to: Rules and Executive Nominations

---

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Mount Olive Community**  
3 **Life Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$300,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Mount Olive  
6 Community Development Corporation, Inc. for certain development or  
7 improvement purposes; providing for disbursement of the loan proceeds, subject  
8 to a requirement that the grantee provide and expend a matching fund;  
9 prohibiting the use of the proceeds of the bond sales and the matching fund for  
10 sectarian religious purposes; requiring the grantee to grant and convey a certain  
11 easement to the Maryland Historical Trust; and providing generally for the  
12 issuance and sale of bonds evidencing the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on  
16 behalf of the State of Maryland through a State loan to be known as the Anne Arundel  
17 County - Mount Olive Community Life Center Loan of 2003 in a total principal  
18 amount equal to the lesser of (i) \$300,000 or (ii) the amount of the matching fund  
19 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
20 issuance, sale, and delivery of State general obligation bonds authorized by a  
21 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
22 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
23 Article 31, § 22 of the Code.

24 (2) The bonds to evidence this loan or installments of this loan may be sold as  
25 a single issue or may be consolidated and sold as part of a single issue of bonds under  
26 § 8-122 of the State Finance and Procurement Article.

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

1 Community Development Corporation, Inc. (referred to hereafter in this Act as "the  
2 grantee") for the acquisition, design, construction, and capital equipping of the Mount  
3 Olive Community Life Center to provide community outreach, entrepreneurial and  
4 business development services, and employment and computer technology training,  
5 located in Annapolis.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the  
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
12 matching fund. No part of the grantee's matching fund may be provided, either  
13 directly or indirectly, from funds of the State, whether appropriated or  
14 unappropriated. The fund may consist of real property, in kind contributions, or funds  
15 expended prior to the effective date of this Act. In case of any dispute as to the amount  
16 of the matching fund or what money or assets may qualify as matching funds, the  
17 Board of Public Works shall determine the matter and the Board's decision is final.  
18 The grantee has until June 1, 2005, to present evidence satisfactory to the Board of  
19 Public Works that a matching fund will be provided. If satisfactory evidence is  
20 presented, the Board shall certify this fact and the amount of the matching fund to  
21 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
22 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
23 in excess of the amount of the matching fund certified by the Board of Public Works  
24 shall be canceled and be of no further effect.

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

33 (7) (a) Prior to the issuance of the bonds, the grantee shall grant and convey  
34 to the Maryland Historical Trust a perpetual preservation easement to the extent of  
35 its interest:

36 (i) On the land or such portion of the land acceptable to the Trust;  
37 and

38 (ii) On the exterior and interior, where appropriate, of the historic  
39 structures.

40 (b) If the grantee or beneficiary of the grant holds a lease on the land and  
41 structures, the Trust may accept an easement on the leasehold interest.

1 (c) The easement must be in form and substance acceptable to the Trust and  
2 any liens or encumbrances against the land or the structures must be acceptable to  
3 the Trust.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 June 1, 2003.