#### **HOUSE BILL 1116**

Unofficial Copy B2 HB 824/02 - APP 2003 Regular Session 3lr2609 CF SB 671

By: **Delegates Paige, Haynes, Kirk, and Rawlings** Introduced and read first time: February 26, 2003 Assigned to: Rules and Executive Nominations

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#### A BILL ENTITLED

### 1 AN ACT concerning

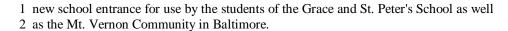
# 2 Creation of a State Debt - Baltimore City - Grace and St. Peter's School

- 3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
- the proceeds to be used as a grant to the Board of Trustees of Grace and St.
- 5 Peter's School for certain development or improvement purposes; providing for
- 6 disbursement of the loan proceeds, subject to a requirement that the grantee
- 7 provide and expend a matching fund; prohibiting the use of the proceeds of the
- 8 sale of the bonds or the matching fund for sectarian religious purposes;
- 9 requiring the grantee to grant and convey a certain easement to the Maryland
- Historical Trust; and providing generally for the issuance and sale of bonds
- 11 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 Baltimore
- 16 City Grace and St. Peter's School Loan of 2003 in a total principal amount equal to
- 17 the lesser of (i) \$500,000 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.
- 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 Grace and St.
- 31 Peter's School (referred to hereafter in this Act as "the grantee") for the planning,
- 32 design, construction, renovation, and capital equipping of a recreational facility and a



- An annual State tax is imposed on all assessable property in the State in 3 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 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. No part of the fund may consist of real property, in kind 12 contributions, or funds expended prior to the effective date of this Act. In case of any 13 dispute as to the amount of the matching fund or what money or assets may qualify 14 as matching funds, the Board of Public Works shall determine the matter and the 15 Board's decision is final. The grantee has until June 1, 2005, to present evidence 16 satisfactory to the Board of Public Works that a matching fund will be provided. If 17 satisfactory evidence is presented, the Board shall certify this fact and the amount of 18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
- 19 amount of the matching fund shall be expended for the purposes provided in this Act.
- 20 Any amount of the loan in excess of the amount of the matching fund certified by the
- 21 Board of Public Works shall be canceled and be of no further effect.
- 22 (6) No portion of the proceeds of the loan or any of the matching funds may be 23 used for the furtherance of sectarian religious instruction, or in connection with the 24 design, acquisition, or construction of any building used or to be used as a place of 25 sectarian religious worship or instruction, or in connection with any program or 26 department of divinity for any religious denomination. Upon the request of the Board 27 of Public Works, the grantee shall submit evidence satisfactory to the Board that none 28 of the proceeds of the loan or any matching funds have been or are being used for a 29 purpose prohibited by this Act.
- 30 Prior to the issuance of the bonds, the grantee shall grant and convey 31 to the Maryland Historical Trust a perpetual preservation easement to the extent of
- 32 its interest:
- On the land or such portion of the land acceptable to the Trust; 33 (i) 34 and
- 35 On the exterior and interior, where appropriate, of the historic (ii) 36 structures.
- If the grantee or beneficiary of the grant holds a lease on the land 37 38 and structures, the Trust may accept an easement on the leasehold interest.
- The easement must be in form and substance acceptable to the Trust (c) 40 and any liens or encumbrances against the land or the structures must be acceptable 41 to the Trust.

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