

HOUSE BILL 1516

Unofficial Copy
B2

2004 Regular Session
4r3198
CF 4r3199

By: **Delegates Cadden, Dwyer, and Leopold**
Introduced and read first time: March 5, 2004
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Marley Neck School**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$50,000, the
5 proceeds to be used as a grant to the Board of Directors of Marley Neck School
6 Center, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; requiring the grantee to grant and convey
9 a certain easement to the Maryland Historical Trust; prohibiting the use of the
10 proceeds of the loan or the matching fund for sectarian religious purposes;
11 establishing a deadline for the encumbrance or expenditure of the loan proceeds;
12 and providing generally for the 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 Marley Neck
17 School Center Loan of 2004 in a total principal amount equal to the lesser of (i)
18 \$50,000 or (ii) the amount of the matching fund provided in accordance with Section
19 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
20 general obligation bonds authorized by a resolution of the Board of Public Works and
21 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
22 Finance and Procurement Article and 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 Marley Neck
32 School Center, Inc. (referred to hereafter in this Act as "the grantee") for the repair,

1 renovation, restoration, reconstruction, capital equipping, and preservation of the
2 existing historic Marley Neck School building, a Rosenwald School, located in Glen
3 Burnie.

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 real property, in kind
13 contributions, or funds expended prior to the effective date of this Act. In case of any
14 dispute as to the amount of the matching fund or what money or assets may qualify
15 as matching funds, the Board of Public Works shall determine the matter and the
16 Board's decision is final. The grantee has until June 1, 2006, to present evidence
17 satisfactory to the Board of Public Works that a matching fund will be provided. If
18 satisfactory evidence is presented, the Board shall certify this fact and the amount of
19 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
20 amount of the matching fund shall be expended for the purposes provided in this Act.
21 Any amount of the loan in excess of the amount of the matching fund certified by the
22 Board of Public Works shall be canceled and be of no further effect.

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

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

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

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

32 (c) The easement must be in form and substance acceptable to the Trust
33 and any liens or encumbrances against the land or the structures must be acceptable
34 to the Trust.

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

1 (8) The proceeds of the loan must be expended or encumbered by the Board of
2 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
3 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
4 the amount of the unencumbered or unexpended authorization shall be canceled and
5 be of no further effect. If bonds have been issued for the loan, the amount of
6 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
7 8-129 of the State Finance and Procurement Article.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2004.