

SENATE BILL 678

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B2
SB 752/03 - B&T

2004 Regular Session
4r2474

By: **Senator Colburn**

Introduced and read first time: February 6, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Talbot County - YMCA - Teen Center and Indoor**
3 **Sport Facility Complex**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$800,000,
5 the proceeds to be used as a grant to the Board of Directors of the YMCA of
6 Talbot County, Inc. for certain development or improvement purposes; providing
7 for disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; prohibiting the use of the
10 proceeds of the bond sales and the matching fund for sectarian religious
11 purposes; and providing generally for the issuance and sale of bonds evidencing
12 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 Talbot
17 County - Teen Center and Indoor Sport Facility Complex Loan of 2004 in a total
18 principal amount equal to the lesser of (i) \$800,000 or (ii) the amount of the matching
19 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
20 the 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 YMCA of

1 Talbot County, Inc. (referred to hereafter in this Act as "the grantee") for the
2 planning, design, construction, repair, and capital equipping of the Teen Center and
3 Indoor Sport Facility Complex to include a teen game room, multipurpose room, rest
4 rooms, and two regulation-size playing fields, located in Easton.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
11 matching fund. No part of the grantee's matching fund may be provided, either
12 directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. No part of the fund may consist of real property, in kind
14 contributions, or funds expended prior to the effective date of this Act. In case of any
15 dispute as to the amount of the matching fund or what money or assets may qualify
16 as matching funds, the Board of Public Works shall determine the matter and the
17 Board's decision is final. The grantee has until June 1, 2006, to present evidence
18 satisfactory to the Board of Public Works that a matching fund will be provided. If
19 satisfactory evidence is presented, the Board shall certify this fact and the amount of
20 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
21 amount of the matching fund shall be expended for the purposes provided in this Act.
22 Any amount of the loan in excess of the amount of the matching fund certified by the
23 Board of Public Works shall be canceled and be of no further effect.

24 (6) The proceeds of the loan must be expended or encumbered by the Board of
25 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
26 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
27 the amount of the unencumbered or unexpended authorization shall be canceled and
28 be of no further effect. If bonds have been issued for the loan, the amount of
29 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
30 8-129 of the State Finance and Procurement Article.

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. On the request of the Board of
36 Public Works, the grantee shall submit evidence satisfactory to the Board that none of
37 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, 2004.