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By: **Senators Munson, Hafer, and Mooney**  
Introduced and read first time: February 4, 2005  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Washington County - Aspiring to Serve the**  
3 **Community**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000,  
5 the proceeds to be used as a grant to the Board of Directors of Aspiring to Serve,  
6 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; establishing a deadline for the  
9 encumbrance or expenditure of the loan proceeds; prohibiting the use of the loan  
10 proceeds or the matching fund for sectarian religious purposes; and providing  
11 generally for 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 Washington  
16 County - Aspiring to Serve the Community Loan of 2005 in a total principal amount  
17 equal to the lesser of (i) \$200,000 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 Directors of Aspiring to  
31 Serve, Inc. (referred to hereafter in this Act as "the grantee") for the construction and

1 renovation of a building to serve as a homeless shelter and rental space for nonprofit  
2 organizations providing social services, located in Hagerstown.

3 (4) An annual State tax is imposed on all assessable property in the State in  
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 (5) 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. The fund may consist of funds expended prior to the effective date of  
12 this Act, real property, or in kind contributions. In case of any dispute as to the  
13 amount of the matching fund or what money or assets may qualify as matching funds,  
14 the Board of Public Works shall determine the matter and the Board's decision is  
15 final. The grantee has until June 1, 2007, to present evidence satisfactory to the  
16 Board of Public Works that a matching fund will be provided. If satisfactory evidence  
17 is presented, the Board shall certify this fact and the amount of the matching fund to  
18 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
19 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
20 in excess of the amount of the matching fund certified by the Board of Public Works  
21 shall be canceled and be of no further effect.

22 (6) The proceeds of the loan must be expended or encumbered by the Board of  
23 Public Works for the purposes provided in this Act no later than June 1, 2012. If any  
24 funds authorized by this Act remain unexpended or unencumbered after June 1,  
25 2012, the amount of the unencumbered or unexpended authorization shall be  
26 canceled and be of no further effect. If bonds have been issued for the loan, the  
27 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
28 provided in § 8-129 of the State Finance and Procurement Article.

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

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 June 1, 2005.