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By: **Senator McFadden**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 31, 2005

Rules suspended

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Human and Community Development Centers Loan of 1998**

3 FOR the purpose of amending the Baltimore City - Human and Community  
4 Development Centers Loan of 1998 to require that the loan proceeds be  
5 encumbered by the Board of Public Works or expended for certain purposes by a  
6 certain date.

7 BY repealing and reenacting, with amendments,  
8 Chapter 180 of the Acts of the General Assembly of 1998  
9 Section 1

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
11 MARYLAND, That the Laws of Maryland read as follows:

12 **Chapter 180 of the Acts of 1998**

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 Baltimore  
17 City - Human and Community Development Centers Loan of 1998 in a total principal  
18 amount equal to the lesser of (i) \$200,000 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
2 and first shall be applied to the payment of the expenses of issuing, selling, and  
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
4 shall be credited on the books of the Comptroller and expended, on approval by the  
5 Board of Public Works, for the following public purposes, including any applicable  
6 architects' and engineers' fees: as a grant to the Board of Directors of the Apostolic  
7 Development Corporation (referred to hereafter in this Act as "the grantee") for the  
8 planning, design, construction, repair, renovation, and capital equipping and  
9 furnishing of facilities located at 20 and 40 South Caroline Street, to be known as the  
10 East Harbor Community Empowerment Center and the Family Life Community  
11 Multipurpose Center, the facilities to be used for family services for low income  
12 people.

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

17 (5) Prior to the payment of any funds under the provisions of this Act for the  
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
19 matching fund. No part of the grantee's matching fund may be provided, either  
20 directly or indirectly, from funds of the State, whether appropriated or  
21 unappropriated. No part of the fund may consist of real property. The fund may  
22 consist of in kind contributions or funds expended prior to the effective date of this  
23 Act. In case of any dispute as to the amount of the matching fund or what money or  
24 assets may qualify as matching funds, the Board of Public Works shall determine the  
25 matter and the Board's decision is final. The grantee has until June 1, 2000, to  
26 present evidence satisfactory to the Board of Public Works that a matching fund will  
27 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
28 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
29 equal to the amount of the matching fund shall be expended for the purposes provided  
30 in this Act. Any amount of the loan in excess of the amount of the matching fund  
31 certified by the Board of Public Works shall be canceled and be of no further effect.

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

40 (7) THE PROCEEDS OF THE LOAN MUST BE EXPENDED OR ENCUMBERED BY  
41 THE BOARD OF PUBLIC WORKS FOR THE PURPOSES PROVIDED IN THIS ACT NO LATER  
42 THAN JUNE 1, 2006. IF ANY FUNDS AUTHORIZED BY THIS ACT REMAIN UNEXPENDED  
43 OR UNENCUMBERED AFTER JUNE 1, 2006, THE AMOUNT OF THE UNENCUMBERED OR  
44 UNEXPENDED AUTHORIZATION SHALL BE CANCELED AND BE OF NO FURTHER  
45 EFFECT. IF BONDS HAVE BEEN ISSUED FOR THE LOAN, THE AMOUNT OF

1 UNEXPENDED OR UNENCUMBERED BOND PROCEEDS SHALL BE DISPOSED OF AS  
2 PROVIDED IN § 8-129 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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