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By: **Delegates Marriott, Anderson, C. Davis, Doory, Goodwin, Harrison,  
Haynes, Kirk, Krysiak, McIntosh, Oaks, Paige, and Pugh**

Introduced and read first time: February 6, 2006

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Pimlico Road Arts and**  
3 **Community Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
5 the proceeds to be used as a grant to the Board of Directors of Holy Nativity and  
6 St. John's Development Corporation for certain development or improvement  
7 purposes; providing for disbursement of the loan proceeds, subject to a  
8 requirement that the grantee provide and expend a matching fund; prohibiting  
9 the use of the proceeds of the loan or the matching fund for sectarian religious  
10 purposes; establishing a deadline for the encumbrance or expenditure of the  
11 loan proceeds; and providing generally for the issuance and sale of bonds  
12 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 Baltimore  
17 City - Pimlico Road Arts and Community Center Loan of 2006 in a total principal  
18 amount equal to the lesser of (i) \$500,000 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.

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

1 architects' and engineers' fees: as a grant to the Board of Directors of Holy Nativity  
2 and St. John's Development Corporation (referred to hereafter in this Act as "the  
3 grantee") for the acquisition, design, and construction of the Pimlico Road Arts and  
4 Community Center, located in Baltimore.

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, 2008, 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) No portion of the proceeds of the loan or any of the matching funds may be  
25 used for the furtherance of sectarian religious instruction, or in connection with the  
26 design, acquisition, or construction of any building used or to be used as a place of  
27 sectarian religious worship or instruction, or in connection with any program or  
28 department of divinity for any religious denomination. Upon the request of the Board  
29 of Public Works, the grantee shall submit evidence satisfactory to the Board that none  
30 of the proceeds of the loan or any matching funds have been or are being used for a  
31 purpose prohibited by this Act.

32 (7) The proceeds of the loan must be expended or encumbered by the Board of  
33 Public Works for the purposes provided in this Act no later than June 1, 2013. If any  
34 funds authorized by this Act remain unexpended or unencumbered after June 1,  
35 2013, the amount of the unencumbered or unexpended authorization shall be  
36 canceled and be of no further effect. If bonds have been issued for the loan, the  
37 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
38 provided in § 8-129 of the State Finance and Procurement Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
40 June 1, 2006.