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By: **Delegates Parker and Niemann**

Introduced and read first time: February 10, 2006

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Prince George's County - Ebenezer Community**  
3 **Life Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,  
5 the proceeds to be used as a grant to the Board of Directors of Ebenezer  
6 Community 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; providing  
9 that no part of the loan proceeds or matching fund may be used for sectarian  
10 religious purposes; establishing a deadline for the encumbrance or expenditure  
11 of the 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 Prince  
17 George's County - Ebenezer Community Life Center Loan of 2006 in a total principal  
18 amount equal to the lesser of (i) \$400,000 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  
32 architects' and engineers' fees: as a grant to the Board of Directors of Ebenezer

1 Community Development Corporation (referred to hereafter in this Act as "the  
2 grantee") for the planning, design, construction, renovation, reconstruction, and  
3 capital equipping of the Community Life Center, located in Lanham.

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. The fund may consist of real property, in kind contributions, or funds  
13 expended prior to the effective date of this Act. In case of any dispute as to the amount  
14 of the matching fund or what money or assets may qualify as matching funds, the  
15 Board of Public Works shall determine the matter and the Board's decision is final.  
16 The grantee has until June 1, 2008, to present evidence satisfactory to the Board of  
17 Public Works that a matching fund will be provided. If satisfactory evidence is  
18 presented, the Board shall certify this fact and the amount of the matching fund to  
19 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
20 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
21 in excess of the amount of the matching fund certified by the Board of Public Works  
22 shall be canceled and be of no further effect.

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

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

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