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By: **Senators Mooney and Brinkley**

Introduced and read first time: February 1, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Frederick County - Alan P. Linton, Jr. Emergency**  
3 **Shelter Site**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of  
5 \$250,000, the proceeds to be used as a grant to the Board of Directors of The  
6 Religious Coalition for Emergency Human Needs, Inc. for certain development  
7 or improvement purposes; providing for disbursement of the loan proceeds,  
8 subject to a requirement that the grantee provide and expend a matching fund;  
9 prohibiting the loan proceeds or the matching fund from being used for  
10 sectarian religious purposes; establishing a deadline for the encumbrance or  
11 expenditure of the loan proceeds; and providing generally for the issuance and  
12 sale of bonds 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 Frederick  
17 County - Alan P. Linton, Jr. Emergency Shelter Site Loan of 2006 in the total  
18 principal amount of \$250,000. This loan shall be evidenced by the issuance, sale, and  
19 delivery of State general obligation bonds authorized by a resolution of the Board of  
20 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 The Religious  
31 Coalition for Emergency Human Needs, Inc. (referred to hereafter in this Act as "the

1 grantee") for the repair, renovation, reconstruction, and capital equipping of the Alan  
2 P. Linton, Jr. Emergency Shelter Site, located in Frederick.

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 of \$100,000. No part of the grantee's matching fund may be provided,  
10 either directly or indirectly, from funds of the State, whether appropriated or  
11 unappropriated. No part of the fund may consist of in kind contributions or funds  
12 expended prior to the effective date of this Act. The fund may consist of real property.  
13 In case of any dispute as to the amount of the matching fund or what money or assets  
14 may qualify as matching funds, the Board of Public Works shall determine the matter  
15 and the Board's decision is final. The grantee has until June 1, 2008, to present  
16 evidence satisfactory to the Board of Public Works that a matching fund will be  
17 provided. If satisfactory evidence is presented, the Board shall certify this fact to the  
18 State Treasurer, and the proceeds of the loan shall be expended for the purposes  
19 provided in this Act.

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

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

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