
By: **Senator Colburn**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Dorchester County - YMCA of Dorchester County**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
4 the proceeds to be used as a grant to the Board of Directors of the YMCA of
5 Dorchester County, Inc. for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that
7 the grantee provide and expend a matching fund; requiring the grantee to grant
8 and convey a certain easement to the Maryland Historical Trust; prohibiting the
9 loan proceeds or the matching fund from being used 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 Dorchester
17 County - YMCA of Dorchester County Loan of 2006 in a total principal amount equal
18 to the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided in
19 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
20 and delivery of State general obligation bonds authorized by a resolution of the Board
21 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
22 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as
24 a single issue or may be consolidated and sold as part of a single issue of bonds under
25 § 8-122 of the State Finance and Procurement Article.

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
27 and first shall be applied to the payment of the expenses of issuing, selling, and
28 delivering the bonds, unless funds for this purpose are otherwise provided, and then
29 shall be credited on the books of the Comptroller and expended, on approval by the
30 Board of Public Works, for the following public purposes, including any applicable
31 architects' and engineers' fees: as a grant to the Board of Directors of the YMCA of
32 Dorchester County, Inc. (referred to hereafter in this Act as "the grantee") for the

1 planning, design, construction, repair, renovation, reconstruction, expansion, and
2 capital equipping of the YMCA of Dorchester County, located in Cambridge.

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 real property, in kind contributions, or funds
12 expended prior to the effective date of this Act, including funds expended on or after
13 January 1, 1996. In case of any dispute as to the amount of the matching fund or what
14 money or assets may qualify as matching funds, the Board of Public Works shall
15 determine the matter and the Board's decision is final. The grantee has until June 1,
16 2008, to present evidence satisfactory to the Board of Public Works that a matching
17 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
18 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
19 the loan equal to the amount of the matching fund shall be expended for the purposes
20 provided in this Act. Any amount of the loan in excess of the amount of the matching
21 fund certified by the Board of Public Works shall be canceled and be of no further
22 effect.

23 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
24 to the Maryland Historical Trust a perpetual preservation easement to the extent of
25 its interest:

26 (i) On the land or such portion of the land acceptable to the Trust;
27 and

28 (ii) On the exterior and interior, where appropriate, of the historic
29 structures.

30 (b) If the grantee or beneficiary of the grant holds a lease on the land
31 and structures, the Trust may accept an easement on the leasehold interest.

32 (c) The easement must be in form and substance acceptable to the Trust
33 and any liens or encumbrances against the land or the structures must be acceptable
34 to the Trust.

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

1 (8) The proceeds of the loan must be expended or encumbered by the Board of
2 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
3 funds authorized by this Act remain unexpended or unencumbered after June 1,
4 2013, the amount of the unencumbered or unexpended authorization shall be
5 canceled and be of no further effect. If bonds have been issued for the loan, the
6 amount of unexpended or unencumbered bond proceeds shall be disposed of as
7 provided in § 8-129 of the State Finance and Procurement Article.

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