
By: **Senator Middleton**

Introduced and read first time: February 8, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Charles County - Bel Alton High School**
3 **Community Development Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$650,000,
5 the proceeds to be used as a grant to the Board of Directors of the Bel Alton High
6 School Alumni Association Community Development Corporation for certain
7 development or improvement purposes; providing for disbursement of the loan
8 proceeds, subject to a requirement that the grantee provide and expend a
9 matching fund; requiring the grantee to grant and convey a certain easement to
10 the Maryland Historical Trust; providing that no part of the loan proceeds or
11 matching fund may be used for sectarian religious purposes; establishing a
12 deadline for the encumbrance or expenditure of the loan proceeds; and providing
13 generally for the issuance and sale of bonds evidencing the loan.

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That:

16 (1) The Board of Public Works may borrow money and incur indebtedness on
17 behalf of the State of Maryland through a State loan to be known as the Charles
18 County - Bel Alton High School Community Development Center Loan of 2006 in a
19 total principal amount equal to the lesser of (i) \$650,000 or (ii) the amount of the
20 matching fund provided in accordance with Section 1(5) below. This loan shall be
21 evidenced by the issuance, sale, and delivery of State general obligation bonds
22 authorized by a resolution of the Board of Public Works and issued, sold, and
23 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
24 Procurement Article and Article 31, § 22 of the Code.

25 (2) The bonds to evidence this loan or installments of this loan may be sold as
26 a single issue or may be consolidated and sold as part of a single issue of bonds under
27 § 8-122 of the State Finance and Procurement Article.

28 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
29 and first shall be applied to the payment of the expenses of issuing, selling, and
30 delivering the bonds, unless funds for this purpose are otherwise provided, and then
31 shall be credited on the books of the Comptroller and expended, on approval by the
32 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 the Bel Alton
2 High School Alumni Association Community Development Corporation (referred to
3 hereafter in this Act as "the grantee") for the construction, repair, renovation,
4 reconstruction, and capital equipping of a community development center at the Bel
5 Alton High School, located in La Plata.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
12 matching fund. No part of the grantee's matching fund may be provided, either
13 directly or indirectly, from funds of the State, whether appropriated or
14 unappropriated. No part of the fund may consist of real property, or in kind
15 contributions. The fund may consist of funds expended prior to the effective date of
16 this Act. In case of any dispute as to the amount of the matching fund or what money
17 or assets may qualify as matching funds, the Board of Public Works shall determine
18 the matter and the Board's decision is final. The grantee has until June 1, 2008, to
19 present evidence satisfactory to the Board of Public Works that a matching fund will
20 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
21 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
22 equal to the amount of the matching fund shall be expended for the purposes provided
23 in this Act. Any amount of the loan in excess of the amount of the matching fund
24 certified by the Board of Public Works shall be canceled and be of no further effect.

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

28 (i) On the land or such portion of the land acceptable to the Trust;
29 and

30 (ii) On the exterior and interior, where appropriate, of the historic
31 structures.

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

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

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

1 of the proceeds of the loan or any matching funds have been or are being used for a
2 purpose prohibited by this Act.

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

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