
By: **Senator Jones**

Introduced and read first time: February 13, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Dorothy M. Higgins Community**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000,
5 the proceeds to be used as a grant to the Board of Directors of the New Christian
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; prohibiting
9 the loan proceeds or 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 Baltimore
17 City - Dorothy M. Higgins Community Center Loan of 2006 in a total principal
18 amount equal to the lesser of (i) \$100,000 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 the New

1 Christian Community Development Corporation (referred to hereafter in this Act as
2 "the grantee") for the acquisition, planning, design, renovation, reconstruction, and
3 capital equipping of the new Dorothy M. Higgins Community Center, located in
4 Baltimore City.

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. The fund may consist of real property, in kind contributions, and
14 funds expended prior to the effective date of this Act. In case of any dispute as to the
15 amount of the matching fund or what money or assets may qualify as matching funds,
16 the Board of Public Works shall determine the matter and the Board's decision is
17 final. The grantee has until June 1, 2008, to present evidence satisfactory to the
18 Board of Public Works that a matching fund will be provided. If satisfactory evidence
19 is presented, the Board shall certify this fact and the amount of the matching fund to
20 the State Treasurer, and the proceeds of the loan equal to the amount of the matching
21 fund shall be expended for the purposes provided in this Act. Any amount of the loan
22 in excess of the amount of the matching fund certified by the Board of Public Works
23 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.