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By: **Senator McFadden**

Introduced and read first time: February 24, 2006

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Community Initiatives Academy Loan of 1999**

3 FOR the purpose of amending the Baltimore City - Community Initiatives Academy  
4 Loan of 1999 to require that the loan proceeds be encumbered by the Board of  
5 Public Works or expended for certain purposes by a certain date.

6 BY repealing and reenacting, with amendments,  
7 Chapter 555 of the Acts of the General Assembly of 1999  
8 Section 1

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That the Laws of Maryland read as follows:

11 **Chapter 555 of the Acts of 1999**

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Baltimore  
16 City - Community Initiatives Academy Loan of 1999 in a total principal amount equal  
17 to the lesser of (i) \$200,000 or (ii) the amount of the matching fund provided in  
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
19 and delivery of State general obligation bonds authorized by a resolution of the Board  
20 of 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

1 architects' and engineers' fees: as a grant to the Board of Directors of Community  
2 Initiatives, Inc. (referred to hereafter in this Act as "the grantee") for the planning,  
3 design, construction, and capital equipping of the Community Initiatives Academy, an  
4 educational institution to serve underserved inner-city students from kindergarten  
5 through grade 12 in a multi-cultural urban environment.

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, in kind  
15 contributions, or funds expended prior to the effective date of this Act. In case of any  
16 dispute as to the amount of the matching fund or what money or assets may qualify  
17 as matching funds, the Board of Public Works shall determine the matter and the  
18 Board's decision is final. The grantee has until June 1, 2001, to present evidence  
19 satisfactory to the Board of Public Works that a matching fund will be provided. If  
20 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
21 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
22 amount of the matching fund shall be expended for the purposes provided in this Act.  
23 Any amount of the loan in excess of the amount of the matching fund certified by the  
24 Board of Public Works shall be canceled and be of no further effect.

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

33 (7) THE PROCEEDS OF THE LOAN MUST BE ENCUMBERED BY THE BOARD OF  
34 PUBLIC WORKS OR EXPENDED FOR THE PURPOSES PROVIDED IN THIS ACT NO LATER  
35 THAN JUNE 1, 2008.

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