
By: **Senator McFadden**

Introduced and read first time: February 24, 2006

Assigned to: Rules

Re-referred to: Budget and Taxation, March 3, 2006

Committee Report: Favorable

Senate action: Adopted

Read second time: March 24, 2006

CHAPTER _____

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.

1 (2) The bonds to evidence this loan or installments of this loan may be sold as
2 a single issue or may be consolidated and sold as part of a single issue of bonds under
3 § 8-122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes, including any applicable
9 architects' and engineers' fees: as a grant to the Board of Directors of Community
10 Initiatives, Inc. (referred to hereafter in this Act as "the grantee") for the planning,
11 design, construction, and capital equipping of the Community Initiatives Academy, an
12 educational institution to serve underserved inner-city students from kindergarten
13 through grade 12 in a multi-cultural urban environment.

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

18 (5) Prior to the payment of any funds under the provisions of this Act for the
19 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
20 matching fund. No part of the grantee's matching fund may be provided, either
21 directly or indirectly, from funds of the State, whether appropriated or
22 unappropriated. No part of the fund may consist of real property, in kind
23 contributions, or funds expended prior to the effective date of this Act. In case of any
24 dispute as to the amount of the matching fund or what money or assets may qualify
25 as matching funds, the Board of Public Works shall determine the matter and the
26 Board's decision is final. The grantee has until June 1, 2001, to present evidence
27 satisfactory to the Board of Public Works that a matching fund will be provided. If
28 satisfactory evidence is presented, the Board shall certify this fact and the amount of
29 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
30 amount of the matching fund shall be expended for the purposes provided in this Act.
31 Any amount of the loan in excess of the amount of the matching fund certified by the
32 Board of Public Works shall be canceled and be of no further effect.

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

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

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