
By: **Senators Jacobs and Pipkin**

Introduced and read first time: March 2, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Cecil County - Ray of Hope Mission Center**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$125,000, the proceeds to be used as a grant to the Board of Directors of the Ray
5 of Hope Mission Center, 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; providing that no part of the
8 loan proceeds or matching fund may be used for sectarian religious purposes;
9 establishing a deadline for the encumbrance or expenditure of the loan proceeds;
10 and providing generally for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Cecil County
15 - Ray of Hope Mission Center Loan of 2006 in the total principal amount of \$125,000.
16 This loan shall be evidenced by the issuance, sale, and delivery of State general
17 obligation bonds authorized by a resolution of the Board of Public Works and issued,
18 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance
19 and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as
21 a single issue or may be consolidated and sold as part of a single issue of bonds under
22 § 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the Board of Directors of the Ray of Hope
29 Mission Center, Inc. (referred to hereafter in this Act as "the grantee") for the
30 planning, design, construction, and capital equipping of the new senior activity center
31 and food pantry building, and the acquisition and capital equipping of a mobile soup
32 kitchen for the Ray of Hope Mission Center, located in Port Deposit.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund of \$31,000. No part of the grantee's matching fund may be provided,
8 either directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. No part of the fund may consist of real property, in kind
10 contributions, or funds expended prior to the effective date of this Act. In case of any
11 dispute as to the amount of the matching fund or what money or assets may qualify
12 as matching funds, the Board of Public Works shall determine the matter and the
13 Board's decision is final. The grantee has until June 1, 2008, to present evidence
14 satisfactory to the Board of Public Works that a matching fund will be provided. If
15 satisfactory evidence is presented, the Board shall certify this fact to the State
16 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in
17 this Act.

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

26 (7) The proceeds of the loan must be expended or encumbered by the Board of
27 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
28 funds authorized by this Act remain unexpended or unencumbered after June 1,
29 2013, the amount of the unencumbered or unexpended authorization shall be
30 canceled and be of no further effect. If bonds have been issued for the loan, the
31 amount of unexpended or unencumbered bond proceeds shall be disposed of as
32 provided in § 8-129 of the State Finance and Procurement Article.

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