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By: **Senator Conway**

Introduced and read first time: March 6, 2006

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Morgan Christian Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
4 the proceeds to be used as a grant to the Board of Trustees of the Morgan  
5 Christian 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; requiring the grantee to grant  
8 and convey a certain easement to the Maryland Historical Trust; prohibiting the  
9 loan proceeds or matching fund from being used for sectarian religious purposes;  
10 establishing a deadline for the encumbrance or expenditure of the loan proceeds;  
11 and providing generally for the issuance and sale of bonds evidencing the loan.

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 - Morgan Christian Center Loan of 2006 in a total principal amount equal to the  
17 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance  
18 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
19 delivery of State general obligation bonds authorized by a resolution of the Board of  
20 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  
30 architects' and engineers' fees: as a grant to the Board of Trustees of the Morgan  
31 Christian Center, Inc. (referred to hereafter in this Act as "the grantee") for the  
32 planning, design, construction, repair, renovation, reconstruction, and capital

1 equipping of structural repairs and improvements, as well as handicap-accessibility  
2 modifications to the Morgan Christian Center, located in Baltimore.

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

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

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

25 (i) On the land or such portion of the land acceptable to the Trust;  
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic  
28 structures.

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

31 (c) The easement must be in form and substance acceptable to the Trust  
32 and any liens or encumbrances against the land or the structures must be acceptable  
33 to the Trust.

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

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

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