

# HOUSE BILL 543

B2  
HB 1547/06 – APP

71r2494  
CF SB 567

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By: **Delegates Kullen, O'Donnell, Proctor, and Vallario**  
Introduced and read first time: February 7, 2007  
Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Calvert County – Project ECHO Homeless Shelter**

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 Commissioners of the Housing  
5 Authority of Calvert County 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; prohibiting the use of the loan  
8 proceeds and matching fund for sectarian religious purposes; establishing a  
9 deadline for the encumbrance or expenditure of the loan proceeds; and providing  
10 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 Calvert  
15 County – Project ECHO Homeless Shelter Loan of 2007 in a total principal amount  
16 equal to the lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
20 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
2 and first shall be applied to the payment of the expenses of issuing, selling, and  
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
4 shall be credited on the books of the Comptroller and expended, on approval by the  
5 Board of Public Works, for the following public purposes, including any applicable  
6 architects' and engineers' fees: as a grant to the Board of Commissioners of the  
7 Housing Authority of Calvert County (referred to hereafter in this Act as "the  
8 grantee") for the planning, design, construction, and capital equipping of Project  
9 ECHO Homeless Shelter, located in Prince Frederick.

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

14           (5) Prior to the payment of any funds under the provisions of this Act for the  
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
16 matching fund. No part of the grantee's matching fund may be provided, either  
17 directly or indirectly, from funds of the State, whether appropriated or  
18 unappropriated. No part of the fund may consist of funds expended prior to the  
19 effective date of this Act. The fund may consist of real property or in kind  
20 contributions. In case of any dispute as to the amount of the matching fund or what  
21 money or assets may qualify as matching funds, the Board of Public Works shall  
22 determine the matter and the Board's decision is final. The grantee has until June 1,  
23 2009, to present evidence satisfactory to the Board of Public Works that a matching  
24 fund will be provided. If satisfactory evidence is presented, the Board shall certify this  
25 fact and the amount of the matching fund to the State Treasurer, and the proceeds of  
26 the loan equal to the amount of the matching fund shall be expended for the purposes  
27 provided in this Act. Any amount of the loan in excess of the amount of the matching  
28 fund certified by the Board of Public Works shall be canceled and be of no further  
29 effect.

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

1           (7)     The proceeds of the loan must be expended or encumbered by the Board  
2 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
3 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
4 the amount of the unencumbered or unexpended authorization shall be canceled and  
5 be of no further effect. If bonds have been issued for the loan, the amount of  
6 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
7 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, 2007.