

# HOUSE BILL 1141

B2

71r3017

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By: **Delegates Proctor and Vallario**

Introduced and read first time: February 19, 2007

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – Union Bethel**  
3 **Community Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000,  
5 the proceeds to be used as a grant to the Board of Trustees of the Union Bethel  
6 African Methodist Episcopal Church, Inc. for certain development or  
7 improvement purposes; providing for disbursement of the loan proceeds, subject  
8 to a requirement that the grantee provide and expend a matching fund;  
9 prohibiting the use of the loan proceeds or matching fund for sectarian religious  
10 purposes; establishing a deadline for the encumbrance or expenditure of the  
11 loan proceeds; and providing generally for the issuance and sale of bonds  
12 evidencing the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on  
16 behalf of the State of Maryland through a State loan to be known as the Prince  
17 George’s County – Union Bethel Community Center Loan of 2007 in a total principal  
18 amount equal to the lesser of (i) \$250,000 or (ii) the amount of the matching fund  
19 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
20 issuance, sale, and delivery of State general obligation bonds authorized by a  
21 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
22 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and  
23 Article 31, § 22 of the Code.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)     The bonds to evidence this loan or installments of this loan may be sold  
2 as a single issue or may be consolidated and sold as part of a single issue of bonds  
3 under § 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 Trustees of the Union Bethel  
10 African Methodist Episcopal Church, Inc. (referred to hereafter in this Act as "the  
11 grantee") for the planning, design, and construction of the Union Bethel Community  
12 Center, located in Brandywine.

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

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

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