

SENATE BILL 145

B2
SB 540/06 – B&T

71r0640

By: **Senator McFadden**
Introduced and read first time: January 25, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – L.A.M.B. Community Resource**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$500,000, the proceeds to be used as a grant to the Board of Directors of
6 L.A.M.B., Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; prohibiting the loan proceeds or the
9 matching fund from being used for sectarian religious purposes; establishing a
10 deadline for the encumbrance or expenditure of the loan proceeds; and providing
11 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 – L.A.M.B. Community Resource Center Loan of 2007 in the total principal
17 amount of \$500,000. This loan shall be evidenced by the issuance, sale, and delivery of
18 State general obligation bonds authorized by a resolution of the Board of Public Works
19 and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
20 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.

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 Directors of L.A.M.B., Inc.
7 (referred to hereafter in this Act as "the grantee") for the planning, design,
8 construction, repair, renovation, reconstruction, and capital equipping of the L.A.M.B.
9 Community Resource Center, located in Baltimore City.

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 of \$250,000. No part of the grantee's matching fund may be provided,
17 either directly or indirectly, from funds of the State, whether appropriated or
18 unappropriated. The fund may consist of real property, in kind contributions, or funds
19 expended prior to the effective date of this Act. In case of any dispute as to the amount
20 of the matching fund or what money or assets may qualify as matching funds, the
21 Board of Public Works shall determine the matter and the Board's decision is final.
22 The grantee has until June 1, 2009, to present evidence satisfactory to the Board of
23 Public Works that a matching fund will be provided. If satisfactory evidence is
24 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
25 the loan shall be expended for the purposes provided in this Act.

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

34 (7) The proceeds of the loan must be expended or encumbered by the Board
35 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
36 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
37 the amount of the unencumbered or unexpended authorization shall be canceled and
38 be of no further effect. If bonds have been issued for the loan, the amount of

1 unexpended or unencumbered bond proceeds shall be disposed of as provided in
2 § 8-129 of the State Finance and Procurement Article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2007.