

SENATE BILL 350

B2

71r2380

By: **Senator McFadden**

Introduced and read first time: February 1, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – East Baltimore Housing**
3 **Community**

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 Directors of the Baltimore
6 Regional Initiative Developing Genuine Equality, Inc. for certain development
7 or improvement purposes; providing for disbursement of the loan proceeds,
8 subject 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 Baltimore
17 City – East Baltimore Housing Community Loan of 2007 in a total principal amount
18 equal to the lesser of (i) \$250,000 or (ii) the amount of the matching fund provided in
19 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
20 and delivery of State general obligation bonds authorized by a resolution of the Board
21 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
22 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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 Directors of the Baltimore
10 Regional Initiative Developing Genuine Equality, Inc. (referred to hereafter in this
11 Act as "the grantee") for the acquisition of vacant properties for an affordable housing
12 community, located in Baltimore City.

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. The fund may consist of real property, in kind contributions, or funds
22 expended prior to the effective date of this Act. In case of any dispute as to the amount
23 of the matching fund or what money or assets may qualify as matching funds, the
24 Board of Public Works shall determine the matter and the Board's decision is final.
25 The grantee has until June 1, 2009, to present evidence satisfactory to the Board of
26 Public Works that a matching fund will be provided. If satisfactory evidence is
27 presented, the Board shall certify this fact and the amount of the matching fund to the
28 State Treasurer, and the proceeds of the loan equal to the amount of the matching
29 fund shall be expended for the purposes provided in this Act. Any amount of the loan
30 in excess of the amount of the matching fund certified by the Board of Public Works
31 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.