

SENATE BILL 159

B2

8lr1712
CF HB 137

By: **Senator Jones**

Introduced and read first time: January 18, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - PBC Outreach 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 Directors of PBC Outreach,
5 Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; prohibiting the use of the loan proceeds or
8 matching fund for sectarian religious purposes; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 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 Baltimore
15 City - PBC Outreach Center Loan of 2008 in a total principal amount equal to the
16 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance
17 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
18 delivery of State general obligation bonds authorized by a resolution of the Board of
19 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.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant to the Board of Directors of PBC Outreach,
3 Inc. (referred to hereafter in this Act as "the grantee") for the planning, design, and
4 construction of the PBC Outreach Center, located in Baltimore.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
11 matching fund. No part of the grantee's matching fund may be provided, either
12 directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. No part of the fund may consist of funds expended prior to the
14 effective date of this Act. The fund may consist of real property or in kind
15 contributions. In case of any dispute as to the amount of the matching fund or what
16 money or assets may qualify as matching funds, the Board of Public Works shall
17 determine the matter and the Board's decision is final. The grantee has until June 1,
18 2010, to present evidence satisfactory to the Board of Public Works that a matching
19 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
20 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
21 the loan equal to the amount of the matching fund shall be expended for the purposes
22 provided in this Act. Any amount of the loan in excess of the amount of the matching
23 fund certified by the Board of Public Works shall be canceled and be of no further
24 effect.

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

33 (7) The proceeds of the loan must be expended or encumbered by the Board
34 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
36 the amount of the unencumbered or unexpended authorization shall be canceled and
37 be of no further effect. If bonds have been issued for the loan, the amount of
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
39 8-129 of the State Finance and Procurement Article.

40 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
41 June 1, 2008.