

SENATE BILL 279

B4

8lr1958

By: **Senator McFadden**

Introduced and read first time: January 25, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Community Initiatives Academy Loan of 1999**

3 FOR the purpose of amending the Baltimore City – Community Initiatives Academy
4 Loan of 1999 to require that the proceeds of the loan be encumbered by the
5 Board of Public Works or expended for the purposes provided by a certain date.

6 BY repealing and reenacting, with amendments,
7 Chapter 555 of the Acts of the General Assembly of 1999, as amended by
8 Chapter 30 of the Acts of the General Assembly of 2001, Chapter 188 of
9 the Acts of the General Assembly of 2002, and Chapter 550 of the Acts of
10 the General Assembly of 2006
11 Section 1

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Chapter 555 of the Acts of 1999, as amended by Chapter 30 of the Acts of 2001,**
15 **Chapter 188 of the Acts of 2002, and Chapter 550 of the Acts of 2006**

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That:

18 (1) The Board of Public Works may borrow money and incur indebtedness on
19 behalf of the State of Maryland through a State loan to be known as the Baltimore
20 City – Community Initiatives Academy Loan of 1999 in a total principal amount equal
21 to the lesser of (i) \$200,000 or (ii) the amount of the matching fund provided in
22 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
23 and delivery of State general obligation bonds authorized by a resolution of the Board
24 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
25 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 Community
10 Initiatives, Inc. (referred to hereafter in this Act as "the grantee") for the planning,
11 design, construction, renovation, reconstruction, repair, and capital equipping of the
12 Community Initiatives Academy, an educational institution to serve underserved
13 inner-city students from kindergarten through grade 12 in a multi-cultural urban
14 environment.

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

19 (5) Prior to the payment of any funds under the provisions of this Act for the
20 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
21 matching fund. No part of the grantee's matching fund may be provided, either
22 directly or indirectly, from funds of the State, whether appropriated or
23 unappropriated. No part of the fund may consist of real property or in kind
24 contributions. The fund may consist of funds expended prior to the effective date of
25 this Act. In case of any dispute as to the amount of the matching fund or what money
26 or assets may qualify as matching funds, the Board of Public Works shall determine
27 the matter and the Board's decision is final. The grantee has until June 1, 2004, to
28 present evidence satisfactory to the Board of Public Works that a matching fund will
29 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
30 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
31 equal to the amount of the matching fund shall be expended for the purposes provided
32 in this Act. Any amount of the loan in excess of the amount of the matching fund
33 certified by the Board of Public Works shall be canceled and be of no further effect.

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

42 (7) The proceeds of the loan must be expended or encumbered by the Board
43 of Public Works for the purposes provided in this Act no later than June 1, [2008]

1 **2009. IF ANY FUNDS AUTHORIZED BY THIS ACT REMAIN UNEXPENDED OR**
2 **UNENCUMBERED AFTER JUNE 1, 2009, THE AMOUNT OF THE UNENCUMBERED**
3 **OR UNEXPENDED AUTHORIZATION SHALL BE CANCELED AND BE OF NO**
4 **FURTHER EFFECT. IF BONDS HAVE BEEN ISSUED FOR THE LOAN, THE AMOUNT**
5 **OF UNEXPENDED OR UNENCUMBERED BOND PROCEEDS SHALL BE DISPOSED OF**
6 **AS PROVIDED IN § 8-129 OF THE STATE FINANCE AND PROCUREMENT**
7 **ARTICLE.**

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