

SENATE BILL 490

B2

8lr3022
CF HB 692

By: **Senator Gladden**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Dayspring Facility**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$400,000, the proceeds to be used as a grant to the Board of Directors of
5 Dayspring, 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 – Dayspring Facility Loan of 2008 in the total principal amount of \$400,000. This
16 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
17 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
18 delivered in accordance with §§ 8–117 through 8–124 of the State Finance and
19 Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold
21 as a single issue or may be consolidated and sold as part of a single issue of bonds
22 under § 8–122 of the State Finance and Procurement Article.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 architects' and engineers' fees: as a grant to the Board of Directors of Dayspring, Inc.
2 (referred to hereafter in this Act as "the grantee") for the design, construction, repair,
3 renovation, and capital equipping of the Dayspring Facility, located in Baltimore City.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
10 matching fund of \$150,200. No part of the grantee's matching fund may be provided,
11 either directly or indirectly, from funds of the State, whether appropriated or
12 unappropriated. The fund may consist of real property, in kind contributions, or funds
13 expended prior to the effective date of this Act. In case of any dispute as to the amount
14 of the matching fund or what money or assets may qualify as matching funds, the
15 Board of Public Works shall determine the matter and the Board's decision is final.
16 The grantee has until June 1, 2010, to present evidence satisfactory to the Board of
17 Public Works that a matching fund will be provided. If satisfactory evidence is
18 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
19 the loan shall be expended for the purposes provided in this Act.

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

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

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