

SENATE BILL 669

B2

8lr2502
CF HB 547

By: **Senator Colburn**

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 – Dorchester County – Dorchester County Family**
3 **YMCA**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
5 the proceeds to be used as a grant to the Board of Directors of the Dorchester
6 County Family YMCA, Inc. for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; requiring the grantee to grant
9 and convey a certain easement to the Maryland Historical Trust; prohibiting the
10 loan proceeds or the matching fund from being used for sectarian religious
11 purposes; establishing a deadline for the encumbrance or expenditure of the
12 loan proceeds; and providing generally for the issuance and sale of bonds
13 evidencing the loan.

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That:

16 (1) The Board of Public Works may borrow money and incur indebtedness on
17 behalf of the State of Maryland through a State loan to be known as the Dorchester
18 County – Dorchester County Family YMCA Loan of 2008 in a total principal amount
19 equal to the lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in
20 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
21 and delivery of State general obligation bonds authorized by a resolution of the Board
22 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
23 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

24 (2) The bonds to evidence this loan or installments of this loan may be sold
25 as a single issue or may be consolidated and sold as part of a single issue of bonds
26 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 the Dorchester
7 County Family YMCA, Inc. (referred to hereafter in this Act as "the grantee") for the
8 planning, design, construction, repair, renovation, reconstruction, and capital
9 equipping of the Dorchester County Family YMCA, located in Cambridge.

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. No part of the grantee's matching fund may be provided, either
17 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, including funds expended on or after
20 January 1, 1996. In case of any dispute as to the amount of the matching fund or what
21 money or assets may qualify as matching funds, the Board of Public Works shall
22 determine the matter and the Board's decision is final. The grantee has until June 1,
23 2010, to present evidence satisfactory to the Board of Public Works that a matching
24 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
25 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
26 the loan equal to the amount of the matching fund shall be expended for the purposes
27 provided in this Act. Any amount of the loan in excess of the amount of the matching
28 fund certified by the Board of Public Works shall be canceled and be of no further
29 effect.

30 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and
31 convey to the Maryland Historical Trust a perpetual preservation easement to the
32 extent of its interest:

33 (i) On the land or such portion of the land acceptable to the
34 Trust; and

35 (ii) On the exterior and interior, where appropriate, of the
36 historic structures.

37 (b) If the grantee or beneficiary of the grant holds a lease on the land
38 and structures, the Trust may accept an easement on the leasehold interest.

39 (c) The easement must be in form and substance acceptable to the
40 Trust and any liens or encumbrances against the land or the structures must be
41 acceptable to the Trust.

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

9 (8) The proceeds of the loan must be expended or encumbered by the Board
10 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
11 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
12 the amount of the unencumbered or unexpended authorization shall be canceled and
13 be of no further effect. If bonds have been issued for the loan, the amount of
14 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
15 8–129 of the State Finance and Procurement Article.

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