

# HOUSE BILL 867

B2

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CF SB 833

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By: **Delegates Holmes, Hubbard, and Levi**

Introduced and read first time: February 12, 2009

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – Shabach Adult Day Care**  
3 **and Senior Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$50,000, the  
5 proceeds to be used as a grant to the Board of Directors of the SHABACH!  
6 Ministries, Inc. for certain development or improvement purposes; providing for  
7 disbursement of the loan proceeds, subject to a requirement that the grantee  
8 provide and expend a matching fund; prohibiting the use of the loan proceeds or  
9 matching fund for sectarian religious purposes; establishing a deadline for the  
10 encumbrance or expenditure of the loan proceeds; and providing generally for  
11 the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Prince  
16 George’s County – Shabach Adult Day Care and Senior Center Loan of 2009 in a total  
17 principal amount equal to the lesser of (i) \$50,000 or (ii) the amount of the matching  
18 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
19 the issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Board of Directors of the SHABACH!  
5 Ministries, Inc. (referred to hereafter in this Act as "the grantee") for the planning and  
6 design of the Shabach Adult Day Care and Senior Center, located in Upper Marlboro.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund. No part of the grantee's matching fund may be provided, either  
14 directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. No part of the fund may consist of in kind contributions or funds  
16 expended prior to the effective date of this Act. The fund may consist of real property.  
17 In case of any dispute as to the amount of the matching fund or what money or assets  
18 may qualify as matching funds, the Board of Public Works shall determine the matter  
19 and the Board's decision is final. The grantee has until June 1, 2011, to present  
20 evidence satisfactory to the Board of Public Works that a matching fund will be  
21 provided. If satisfactory evidence is presented, the Board shall certify this fact and the  
22 amount of the matching fund to the State Treasurer, and the proceeds of the loan  
23 equal to the amount of the matching fund shall be expended for the purposes provided  
24 in this Act. Any amount of the loan in excess of the amount of the matching fund  
25 certified by the Board of Public Works shall be canceled and be of no further effect.

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

34 (7) The proceeds of the loan must be expended or encumbered by the Board  
35 of Public Works for the purposes provided in this Act no later than June 1, 2016. If any  
36 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,  
37 the amount of the unencumbered or unexpended authorization shall be canceled and  
38 be of no further effect. If bonds have been issued for the loan, the amount of  
39 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
40 § 8-129 of the State Finance and Procurement Article.

41 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
42 June 1, 2009.