

SENATE BILL 871

B2

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CF 9lr2968

By: **Senator Gladden**

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Iota Phi Theta Love/Action Center**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$200,000, the proceeds to be used as a grant to the Board of Directors of the Iota
5 Phi Theta Fraternity, Inc. for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that
7 the grantee provide and expend a matching fund; establishing a deadline for the
8 encumbrance or expenditure of the loan proceeds; and providing generally for
9 the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Baltimore
14 City – Iota Phi Theta Love/Action Center Loan of 2009 in the total principal amount of
15 \$200,000. This loan shall be evidenced by the issuance, sale, and delivery of State
16 general obligation bonds authorized by a resolution of the Board of Public Works and
17 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
18 Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Theta Fraternity, Inc. (referred to hereafter in this Act as “the grantee”) for the
2 acquisition, planning, design, repair, and renovation of a building to serve as a youth
3 center, 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 \$20,000. 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. No part of the fund may consist of real property, in kind
13 contributions, or funds expended prior to the effective date of this Act. In case of any
14 dispute as to the amount of the matching fund or what money or assets may qualify as
15 matching funds, the Board of Public Works shall determine the matter and the
16 Board’s decision is final. The grantee has until June 1, 2011, to present evidence
17 satisfactory to the Board of Public Works that a matching fund will be provided. If
18 satisfactory evidence is presented, the Board shall certify this fact to the State
19 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in
20 this Act.

21 (6) The proceeds of the loan must be expended or encumbered by the Board
22 of Public Works for the purposes provided in this Act no later than June 1, 2016. If any
23 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,
24 the amount of the unencumbered or unexpended authorization shall be canceled and
25 be of no further effect. If bonds have been issued for the loan, the amount of
26 unexpended or unencumbered bond proceeds shall be disposed of as provided in
27 § 8–129 of the State Finance and Procurement Article.

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