

HOUSE BILL 1360

B2

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CF SB 1022

By: **Delegates Ivey, Niemann, and Summers**
Introduced and read first time: February 21, 2012
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – Cheverly United**
3 **Methodist Church**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$75,000, the
5 proceeds to be used as a grant to the Board of Trustees of the Cheverly
6 Community Church of Evangelical Brethren Church for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 requiring the grantee to grant and convey a certain easement to the Maryland
10 Historical Trust; prohibiting the use of the loan proceeds or matching fund for
11 sectarian religious purposes; establishing a deadline for the encumbrance or
12 expenditure of the loan proceeds; and providing generally for the issuance and
13 sale of bonds 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 Prince
18 George’s County – Cheverly United Methodist Church Loan of 2012 in a total principal
19 amount equal to the lesser of (i) \$75,000 or (ii) the amount of the matching fund
20 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
21 issuance, sale, and delivery of State general obligation bonds authorized by a
22 resolution of the Board of Public Works and issued, sold, and delivered in accordance
23 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and
24 Article 31, § 22 of the Code.

25 (2) The bonds to evidence this loan or installments of this loan may be sold
26 as a single issue or may be consolidated and sold as part of a single issue of bonds
27 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 Trustees of the Cheverly
7 Community Church of Evangelical Brethren Church (referred to hereafter in this Act
8 as "the grantee") for the design, construction, repair, and renovation of the Cheverly
9 United Methodist Church, located in Cheverly.

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. No part of the fund may consist of real property, in kind
19 contributions, or funds expended prior to the effective date of this Act. In case of any
20 dispute as to the amount of the matching fund or what money or assets may qualify as
21 matching funds, the Board of Public Works shall determine the matter and the
22 Board's decision is final. The grantee has until June 1, 2014, to present evidence
23 satisfactory to the Board of Public Works that a matching fund will be provided. If
24 satisfactory evidence is presented, the Board shall certify this fact and the amount of
25 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
26 amount of the matching fund shall be expended for the purposes provided in this Act.
27 Any amount of the loan in excess of the amount of the matching fund certified by the
28 Board of Public Works shall be canceled and be of no further effect.

29 (6) (a) Prior to the issuance of the bonds, unless the Maryland Historical
30 Trust determines that the property to be assisted by the grant is not significant, is
31 significant only as a contributing property to a historic district listed in the Maryland
32 register of historic properties, is a type that is already adequately represented among
33 the Trust's existing easement properties, or is already subject to a perpetual historic
34 preservation easement acceptable to the Trust, the grantee shall grant and convey to
35 the Maryland Historical Trust a perpetual preservation easement to the extent of its
36 interest:

37 (i) On the land or such portion of the land acceptable to the
38 Trust; and

39 (ii) On the exterior and interior, where appropriate, of the
40 historic structures.

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

3 (c) The easement must be in form and substance acceptable to the
4 Trust, and the extent of the interest to be encumbered must be acceptable to the Trust,
5 and any liens or encumbrances against the land or the structures must be acceptable
6 to the Trust.

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

15 (8) The proceeds of the loan must be expended or encumbered by the Board
16 of Public Works for the purposes provided in this Act no later than June 1, 2019. If any
17 funds authorized by this Act remain unexpended or unencumbered after June 1, 2019,
18 the amount of the unencumbered or unexpended authorization shall be canceled and
19 be of no further effect. If bonds have been issued for the loan, the amount of
20 unexpended or unencumbered bond proceeds shall be disposed of as provided in
21 § 8–129 of the State Finance and Procurement Article.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2012.