

SENATE BILL 680

B2

4lr2321

By: **Senator Conway**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Epiphany House and Micah House**
3 **Projects**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of \$53,000,
5 the proceeds to be used as a grant to the Board of Directors of the Govans
6 Ecumenical Development Corporation for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; prohibiting
9 the use of the loan proceeds or matching fund for sectarian religious purposes;
10 establishing a deadline for the encumbrance or expenditure of the loan
11 proceeds; and providing generally for the issuance and sale of bonds evidencing
12 the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Baltimore
17 City – Epiphany House and Micah House Projects Loan of 2014 in the total principal
18 amount of \$53,000. This loan shall be evidenced by the issuance, sale, and delivery of
19 State general obligation bonds authorized by a resolution of the Board of Public Works
20 and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and
21 8–131.2 of the State Finance and Procurement Article.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 shall be credited on the books of the Comptroller and expended, on approval by the
2 Board of Public Works, for the following public purposes, including any applicable
3 architects' and engineers' fees: as a grant to the Board of Directors of the Govans
4 Ecumenical Development Corporation (referred to hereafter in this Act as "the
5 grantee") for the acquisition, planning, design, construction, repair, renovation,
6 reconstruction, and capital equipping of the Epiphany House and Micah House,
7 located in Baltimore City.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
14 matching fund of \$17,500. No part of the grantee's matching fund may be provided,
15 either directly or indirectly, from funds of the State, whether appropriated or
16 unappropriated. No part of the fund may consist of real property. The fund may
17 consist of in kind contributions or funds expended prior to the effective date of this
18 Act. In case of any dispute as to the amount of the matching fund or what money or
19 assets may qualify as matching funds, the Board of Public Works shall determine the
20 matter and the Board's decision is final. The grantee has until June 1, 2016, to present
21 evidence satisfactory to the Board of Public Works that a matching fund will be
22 provided. If satisfactory evidence is presented, the Board shall certify this fact to the
23 State Treasurer, and the proceeds of the loan shall be expended for the purposes
24 provided in this Act.

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

33 (7) The proceeds of the loan must be expended or encumbered by the Board
34 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
36 the amount of the unencumbered or unexpended authorization shall be canceled and
37 be of no further effect. If bonds have been issued for the loan, the amount of
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in
39 § 8-129 of the State Finance and Procurement Article.

40 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
41 June 1, 2014.