

SENATE BILL 820

B2

5lr2727

By: **Senator McFadden**

Introduced and read first time: February 20, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Mary Harvin Transformation Center**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$450,000, the
4 proceeds to be used as a grant to the Board of Directors of the Mary Harvin
5 Transformation Center Community Development Corporation for certain
6 development or improvement purposes; providing for disbursement of the loan
7 proceeds, subject to a requirement that the grantee provide and expend a matching
8 fund; prohibiting the use of the loan proceeds or matching fund for sectarian religious
9 purposes; establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing the
11 loan.

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

13 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 Baltimore City –
16 Mary Harvin Transformation Center Loan of 2015 in the total principal amount of
17 \$450,000. This loan shall be evidenced by the issuance, sale, and delivery of State general
18 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,
19 and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance
20 and Procurement Article.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
27 the books of the Comptroller and expended, on approval by the Board of Public Works, for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the following public purposes, including any applicable architects' and engineers' fees: as a
2 grant to the Board of Directors of the Mary Harvin Transformation Center Community
3 Development Corporation (referred to hereafter in this Act as "the grantee") for the
4 acquisition, planning, design, construction, repair, renovation, reconstruction, and capital
5 equipping of the Mary Harvin Transformation Center, located in Baltimore City.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
12 fund of \$225,000. No part of the grantee's matching fund may be provided, either directly
13 or indirectly, from funds of the State, whether appropriated or unappropriated. The fund
14 may consist of real property, in kind contributions, or funds expended prior to the effective
15 date of this Act. In case of any dispute as to the amount of the matching fund or what
16 money or assets may qualify as matching funds, the Board of Public Works shall determine
17 the matter and the Board's decision is final. The grantee has until June 1, 2017, to present
18 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
19 If satisfactory evidence is presented, the Board shall certify this fact to the State Treasurer,
20 and the proceeds of the loan shall be expended for the purposes provided in this Act.

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

29 (7) The proceeds of the loan must be expended or encumbered by the Board of
30 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds
31 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the
32 amount of the unencumbered or unexpended authorization shall be canceled and be of no
33 further effect. If bonds have been issued for the loan, the amount of unexpended or
34 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
35 Finance and Procurement Article.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
37 1, 2015.