

SENATE BILL 633

B2

8lr2370
CF HB 765

By: **Senator McFadden**

Introduced and read first time: February 1, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Harford House Project**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$400,000, the
4 proceeds to be used as a grant to the Board of Directors of the Govans Ecumenical
5 Development Corporation for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that the
7 grantee provide and expend a matching fund; prohibiting the use of the loan proceeds
8 or matching fund for sectarian religious purposes; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for the
10 issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore City –
15 Harford House Project Loan of 2018 in the total principal amount of \$400,000. This loan
16 shall be evidenced by the issuance, sale, and delivery of State general obligation bonds
17 authorized by a resolution of the Board of Public Works and issued, sold, and delivered in
18 accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and
19 Procurement Article.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 grant to the Board of Directors of the Govans Ecumenical Development Corporation
2 (referred to hereafter in this Act as “the grantee”) for the acquisition, planning, design,
3 construction, repair, renovation, reconstruction, site improvement, and capital equipping
4 of the Harford House, located in Baltimore City.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
11 fund of \$25,000. No part of the grantee’s matching fund may be provided, either directly or
12 indirectly, from funds of the State, whether appropriated or unappropriated. The fund may
13 consist of real property, in kind contributions, or funds expended prior to the effective date
14 of this Act. In case of any dispute as to the amount of the matching fund or what money or
15 assets may qualify as matching funds, the Board of Public Works shall determine the
16 matter and the Board’s decision is final. The grantee has until June 1, 2020, to present
17 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
18 If satisfactory evidence is presented, the Board shall certify this fact to the State Treasurer,
19 and the proceeds of the loan shall be expended for the purposes provided in this Act.

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

28 (7) The proceeds of the loan must be expended or encumbered by the Board of
29 Public Works for the purposes provided in this Act no later than June 1, 2025. If any funds
30 authorized by this Act remain unexpended or unencumbered after June 1, 2025, the
31 amount of the unencumbered or unexpended authorization shall be canceled and be of no
32 further effect. If bonds have been issued for the loan, the amount of unexpended or
33 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State
34 Finance and Procurement Article.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
36 1, 2018.