

# SENATE BILL 918

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By: **Senator Peters**

Introduced and read first time: February 17, 2010

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – St. Mary’s School**  
3 **Gymnasium and Multi-Purpose Room**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$25,000, the  
5 proceeds to be used as a grant to St. Mary of the Assumption 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  
8 matching fund; prohibiting the use of the loan proceeds or matching fund for  
9 sectarian religious purposes; establishing a deadline for the encumbrance or  
10 expenditure of the loan proceeds; and providing generally for the issuance and  
11 sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, 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 Prince  
16 George’s County – St. Mary’s School Gymnasium and Multi-Purpose Room Loan of  
17 2010 in a total principal amount equal to the lesser of (i) \$25,000 or (ii) the amount of  
18 the matching fund provided in accordance with Section 1(5) below. This loan shall be  
19 evidenced by the issuance, sale, and delivery of State general obligation bonds  
20 authorized by a resolution of the Board of Public Works and issued, sold, and delivered  
21 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement  
22 Article and Article 31, § 22 of the Code.

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to St. Mary of the Assumption (referred to  
5 hereafter in this Act as "the grantee") for the construction of the St. Mary's School  
6 Gymnasium and Multi-Purpose Room, located in Upper Marlboro.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund. No part of the grantee's matching fund may be provided, either  
14 directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. No part of the fund may consist of real property, in kind  
16 contributions, or funds expended prior to the effective date of this Act. In case of any  
17 dispute as to the amount of the matching fund or what money or assets may qualify as  
18 matching funds, the Board of Public Works shall determine the matter and the  
19 Board's decision is final. The grantee has until June 1, 2012, to present evidence  
20 satisfactory to the Board of Public Works that a matching fund will be provided. If  
21 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
22 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
23 amount of the matching fund shall be expended for the purposes provided in this Act.  
24 Any amount of the loan in excess of the amount of the matching fund certified by the  
25 Board of Public Works shall be canceled and be of no further effect.

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

34 (7) The proceeds of the loan must be expended or encumbered by the Board  
35 of Public Works for the purposes provided in this Act no later than June 1, 2017. If any  
36 funds authorized by this Act remain unexpended or unencumbered after June 1, 2017,  
37 the amount of the unencumbered or unexpended authorization shall be canceled and  
38 be of no further effect. If bonds have been issued for the loan, the amount of  
39 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
40 § 8-129 of the State Finance and Procurement Article.

41 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
42 June 1, 2010.