

# HOUSE BILL 894

B2

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CF SB 780

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By: **Delegates Luedtke, Kaiser, and Zucker**

Introduced and read first time: February 5, 2014

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Muslim Community Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000,  
4 the proceeds to be used as a grant to the Board of Trustees and Board of  
5 Directors of The Muslim Community Center, Inc. for certain development or  
6 improvement purposes; providing for disbursement of the loan proceeds, subject  
7 to a requirement that the grantee provide and expend a matching fund;  
8 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  
10 loan proceeds; and providing generally for the issuance and sale of bonds  
11 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 Montgomery  
16 County – Muslim Community Center Loan of 2014 in a total principal amount equal to  
17 the lesser of (i) \$350,000 or (ii) the amount of the matching fund provided in  
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
19 and delivery of State general obligation bonds authorized by a resolution of the Board  
20 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
21 8–124 and 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

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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 Trustees and Board of  
4 Directors of The Muslim Community Center, Inc. (referred to hereafter in this Act as  
5 "the grantee") for the acquisition, planning, design, construction, repair, renovation,  
6 reconstruction, and capital equipping of the Muslim Community Center, located in  
7 Montgomery County.

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. No part of the grantee's matching fund may be provided, either  
15 directly or indirectly, from funds of the State, whether appropriated or  
16 unappropriated. The fund may consist of real property, in kind contributions, or funds  
17 expended prior to the effective date of this Act. In case of any dispute as to the amount  
18 of the matching fund or what money or assets may qualify as matching funds, the  
19 Board of Public Works shall determine the matter and the Board's decision is final.  
20 The grantee has until June 1, 2016, to present evidence satisfactory to the Board of  
21 Public Works that a matching fund will be provided. If satisfactory evidence is  
22 presented, the Board shall certify this fact and the amount of the matching fund to the  
23 State Treasurer, and the proceeds of the loan equal to the amount of the matching  
24 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
25 in excess of the amount of the matching fund certified by the Board of Public Works  
26 shall be canceled and be of no further effect.

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

35 (7) The proceeds of the loan must be expended or encumbered by the Board  
36 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any  
37 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,  
38 the amount of the unencumbered or unexpended authorization shall be canceled and  
39 be of no further effect. If bonds have been issued for the loan, the amount of  
40 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
41 § 8-129 of the State Finance and Procurement Article.

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