

SENATE BILL 33

B2

5lr0823

By: **Senator Kasemeyer**

Introduced and read first time: January 19, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore County – Good Shepherd Boys Unit**
3 **Renovation**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000, the
5 proceeds to be used as a grant to the Board of Directors of the House of the Good
6 Shepherd of the City of Baltimore for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 grantee provide and expend a matching fund; prohibiting the use of the loan proceeds
9 or matching fund for sectarian religious purposes; establishing a deadline for the
10 encumbrance or expenditure of the loan proceeds; and providing generally for the
11 issuance and sale of bonds evidencing the 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 County
16 – Good Shepherd Boys Unit Renovation Loan of 2015 in a total principal amount equal to
17 the lesser of (i) \$100,000 or (ii) the amount of the matching fund provided in accordance
18 with Section 1(5) below. 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 and
20 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the
21 State Finance and Procurement Article.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as a
23 single issue or may be consolidated and sold as part of a single issue of bonds under §
24 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 and
26 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the books of the Comptroller and expended, on approval by the Board of Public Works, for
2 the following public purposes, including any applicable architects' and engineers' fees: as a
3 grant to the Board of Directors of the House of the Good Shepherd of the City of Baltimore
4 (referred to hereafter in this Act as "the grantee") for the acquisition, planning, design,
5 construction, repair, renovation, reconstruction, and capital equipping of the Good
6 Shepherd Boys Unit at the Good Shepherd facility, located in Baltimore County.

7 (4) An annual State tax is imposed on all assessable property in the State in rate
8 and amount sufficient to pay the principal of and interest on the bonds, as and when due
9 and until paid in full. The principal shall be discharged within 15 years after the date of
10 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 matching
13 fund. No part of the grantee's matching fund may be provided, either directly or indirectly,
14 from funds of the State, whether appropriated or unappropriated. No part of the fund may
15 consist of real property, in kind contributions, or funds expended prior to the effective date
16 of this Act. In case of any dispute as to the amount of the matching fund or what money or
17 assets may qualify as matching funds, the Board of Public Works shall determine the
18 matter and the Board's decision is final. The grantee has until June 1, 2017, to present
19 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
20 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the
21 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of
22 the matching fund shall be expended for the purposes provided in this Act. Any amount of
23 the loan in excess of the amount of the matching fund certified by the Board of Public Works
24 shall be canceled and be of no further effect.

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

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

40 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
41 1, 2015.