

SENATE BILL 246

B2

5lr1080

By: **Senator Pugh**

Introduced and read first time: February 4, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – In For Of Building Renovation**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$200,000, the
4 proceeds to be used as a grant to the Board of Directors of In For Of, Inc. for certain
5 development or improvement purposes; providing for disbursement of the loan
6 proceeds; prohibiting the use of the loan proceeds for sectarian religious purposes;
7 establishing a deadline for the encumbrance or expenditure of the loan proceeds; and
8 providing generally for the issuance and sale of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Baltimore City –
13 In For Of Building Renovation Loan of 2015 in the total principal amount of \$200,000. This
14 loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds
15 authorized by a resolution of the Board of Public Works and issued, sold, and delivered in
16 accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and
17 Procurement Article.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 construction, repair, renovation, reconstruction, and capital equipping of the In For Of
2 Building, located in Baltimore City.

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

7 (5) No portion of the proceeds of the loan may be used for the furtherance of
8 sectarian religious instruction, or in connection with the acquisition, planning, design,
9 construction, repair, renovation, reconstruction, or capital equipping of any building used
10 or to be used as a place of sectarian religious worship or instruction, or in connection with
11 any program or department of divinity for any religious denomination. Upon the request of
12 the Board of Public Works, the grantee shall submit evidence satisfactory to the Board that
13 none of the proceeds of the loan have been or are being used for a purpose prohibited by
14 this Act.

15 (6) The proceeds of the loan must be expended or encumbered by the Board of
16 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds
17 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the
18 amount of the unencumbered or unexpended authorization shall be canceled and be of no
19 further effect. If bonds have been issued for the loan, the amount of unexpended or
20 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
21 Finance and Procurement Article.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2015.