

SENATE BILL 346

B2

4lr1978

By: **Senator Muse**

Introduced and read first time: January 22, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – Southern Friendship**
3 **Health and Wellness Campus**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000,
5 the proceeds to be used as a grant to the Board of Directors of the Southern
6 Friendship Missionary Baptist Church of Maryland, Inc. for certain
7 development or improvement purposes; providing for disbursement of the loan
8 proceeds, subject to a requirement that the grantee provide and expend a
9 matching fund; prohibiting the use of the loan proceeds or matching fund for
10 sectarian religious purposes; establishing a deadline for the encumbrance or
11 expenditure of the loan proceeds; and providing generally for the issuance and
12 sale of bonds evidencing the loan.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That:

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Prince
17 George’s County – Southern Friendship Health and Wellness Campus Loan of 2014 in
18 a total principal amount equal to the lesser of (i) \$150,000 or (ii) the amount of the
19 matching fund provided in accordance with Section 1(5) below. This loan shall be
20 evidenced by the issuance, sale, and delivery of State general obligation bonds
21 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
22 in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and
23 Procurement Article.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of the Southern
7 Friendship Missionary Baptist Church of Maryland, Inc. (referred to hereafter in this
8 Act as "the grantee") for the acquisition, planning, design, construction, repair,
9 renovation, reconstruction, and capital equipping of a facility on the Southern
10 Friendship Health and Wellness Campus, located in Prince George's County.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund. No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. No part of the fund may consist of funds expended prior to the
20 effective date of this Act. The fund may consist of real property or in kind
21 contributions. In case of any dispute as to the amount of the matching fund or what
22 money or assets may qualify as matching funds, the Board of Public Works shall
23 determine the matter and the Board's decision is final. The grantee has until June 1,
24 2016, to present evidence satisfactory to the Board of Public Works that a matching
25 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
26 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
27 the loan equal to the amount of the matching fund shall be expended for the purposes
28 provided in this Act. Any amount of the loan in excess of the amount of the matching
29 fund certified by the Board of Public Works shall be canceled and be of no further
30 effect.

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

39 (7) The proceeds of the loan must be expended or encumbered by the Board
40 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
41 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
42 the amount of the unencumbered or unexpended authorization shall be canceled and
43 be of no further effect. If bonds have been issued for the loan, the amount of

1 unexpended or unencumbered bond proceeds shall be disposed of as provided in
2 § 8–129 of the State Finance and Procurement Article.

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